

## Appendix M-1

### Socio-Economic Monitoring Report



# Agnico Kivalliq Projects

## 2017 SOCIO-ECONOMIC MONITORING REPORT

### DATE OF SUBMISSION:

July-2018

### SUBMITTED TO:

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# Executive Summary

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## The Agnico Kivalliq Projects

The Meadowbank and Meliadine gold mines are located in the Kivalliq region of Nunavut on Inuit owned lands (IOL). Meadowbank falls approximately 70 km north of the Hamlet of Baker Lake, or 110 km by road. Whale Tail, a satellite deposit to the Meadowbank mine, is located approximately 50km north of Meadowbank. Meliadine is located near the western shore of Hudson Bay, about 25 km north of Rankin Inlet.

Agnico Eagle Mines (AEM) acquired the Meadowbank property from Cumberland in 2007, with construction of the mine taking place between 2007 and 2010. The mine began production in 2011 and processes an average of 11,000 tonnes of ore per day from three deposits. It is expected to continue to produce gold until 2019, though the nearby Whale Tail development is expected to effectively extend the life of the mine for years to come.

About 290 km southeast of Meadowbank, Agnico Eagle's Meliadine gold project began construction and development activities in 2017. Meliadine is forecast to begin operation in 2019, producing an estimated 5.7 million ounces of gold over a 15-year mine life.

## About this Report

This report provides the results of the Agnico Eagle Projects Socio-Economic Monitoring Program (SEMP), developed in consultation with the Kivalliq Socio-Economic Monitoring Committee (SEMC). The purpose of this report is to:

- comply with the relevant sections of the **Nunavut Land Claims Agreement (NLCA)**,
- comply with the terms and conditions of the **Meadowbank Project Certificate** issued by the NIRB, including reporting on the socio-economic impact predictions made in Cumberland Resource's Final Environmental Impact Statement (Meadowbank FEIS);
- comply with the terms and conditions of the **Meliadine Project Certificate** issued by the NIRB, including reporting on the socio-economic impact predictions made in Agnico Eagle's Final Environmental Impact Statement (Meliadine FEIS);
- identify any **unanticipated effects** associated with the mines;
- identify and recommend **mitigation measures**;
- act as the primary vehicle for reviewing the findings of the SEMP in **collaboration** with members of the Socio-Economic Monitoring Committee (SEMC);
- fulfill best practices in **social responsibility**; and
- act as a **valuable resource** for communities, governments and interested stakeholders.

## Summary of Findings

Table 1 below provides an overview of the results of this year's monitoring program. Please refer to the Methods section for a more detailed description of how to read the table.

| Time horizon  | Direction              | Value  |
|---|------------------------|--|
| <b>Pre-dev:</b> trend prior to the operation / construction phase of the project (2010 for Meadowbank; 2017 for Meliadine)  | ↑ Increasing           | ■ <b>Positive:</b> change in indicator towards the achievement of the desired impact or goal                   |
| <b>Post-dev:</b> trend from the onset of operation of Meadowbank (2010). As 2017 is the first year of major construction at Meliadine, post-development trends are not considered for the current reporting year. | ↓ Decreasing           | ■ <b>Negative:</b> change in indicator away from the achievement of the desired impact or goal                 |
| <b>Last year:</b> movement from 2016 to 2017  | → Remaining stable     | ■ <b>Neutral:</b> no observed change in indicator with regard to the achievement of the desired impact or goal |
|   | / No discernable trend |  |
|   | N/A Not applicable     |  |

Table 1. Monitoring results summary<sup>1</sup>

| Metric  | Meadowbank trends |          |           | Meliadine trends |           | Interpretation  |
|---|-------------------|----------|-----------|------------------|-----------|---|
|   | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |   |
| VSEC 1. EMPLOYMENT  |                   |          |           |                  |           |   |
| 1.1 Total project employment (Agnico Eagle & contractors)       |                   |          |           |                  |           |   |
| Project employment (permanent, temporary, on-call & contractor) | N/A               | ➡        | ⬇         | N/A              | ⬆         | Total Meadowbank employment levels measured as a snapshot in December, were relatively stable in 2017 and continue to significantly exceed the levels predicted in the FEIS. Meliadine employment increased significantly in 2017, corresponding with the onset of major construction activity.   |
| 1.2 Project Inuit employment (Agnico Eagle)                     |                   |          |           |                  |           |   |
| Project Agnico Eagle employment (Inuit & non-Inuit)             |                   |          |           |                  |           | Meadowbank Agnico Eagle Inuit FTEs have been holding relatively steady for the past 3 years (221, 221 and 218), representing between 28% and 29% of the total Agnico Eagle workforce. Contractor Inuit employment over the same time timeframe increased from 25 to 48 – though this may be a result of better tracking in 2017 where FTES are used compared with employment numbers in prior years. In 2017, there were 130 total Inuit FTEs at Meliadine (including both Agnico Eagle and contractor employees), representing approximately 18% of the workforce. This is below the Meliadine FEIS prediction of a 20% Inuit workforce during peak construction (340 employees). While the number of Meliadine Agnico Eagle FTEs has varied between 8 and 15 over the past five years, 2017 saw a sharp decline in the Inuit employment rate due to a large increase in non-Inuit employees. This may be explained by the requirements for more specialized labour during the construction phase. |
| Inuit FTEs  | N/A               | ➡        | ➡         | N/A              | ➡         |   |
| Inuit FTE rate  | N/A               | ➡        | ➡         | N/A              | ➡         |   |
| Project contractor employment (Inuit & non-Inuit)               |                   |          |           |                  |           |   |
| Employees / FTEs  | N/A               | ➡        | ⬆         | N/A              | ⬆         |   |
| Inuit employee / FTE rate                                       | N/A               | ⬇        | ⬆         | N/A              | ⬇         |   |
| 1.3 Project Agnico Eagle employment by Kivalliq community       |                   |          |           |                  |           |   |
| Project employment by Kivalliq community                        | N/A               | ⬆        | ⬆         | N/A              | ⬆         | In 2017, over half (53%) of Meadowbank’s Kivalliq-based employees were from Baker Lake and approximately 61% of Meliadine’s Kivalliq-based employees were from Rankin Inlet. Additionally, Arviat supplies a large and increasing proportion of Agnico Eagle’s Inuit workforce, reaching a high of 70 employees in 2017. Employees from the remaining Kivalliq communities (Chesterfield Inlet, Coral Harbour, Whale Cove and Naujaat) rose in each community, increasing cumulatively from 26 employees to 44 between 2016 and 2017.   |
| 1.4 Project employment by gender                                |                   |          |           |                  |           |   |
| Project employment (gender)                                     |                   |          |           |                  |           | Agnico Eagle female employment at Meadowbank has been steadily increasing since 2013, from a low of 10% up to 20%. It is at its highest level since the mine began production and has now surpassed the Canadian mining sector average of 17%. Meliadine female employment has increased steadily, though the rate declined from 24% to 15% in 2017 due to a substantial increase in the number of employees and contractors for construction activity.   |
| employees   | N/A               | ⬆        | ⬆         | N/A              | ⬆         |   |
| rate  | N/A               | ⬆        | ⬆         | N/A              | ⬇         |   |
| 1.5 Project turnover  |                   |          |           |                  |           |   |
| Project turnover (Inuit & non-Inuit)                            | N/A               | ⬇        | ⬇         | N/A              | /         | The turnover rate for Meadowbank permanent Inuit employees remained stable in 2017 at 28%, while temporary employee turnover rate is showing signs of stabilizing near 50% following a drop from 2010 to 2014.  |
| Agnico Eagle Inuit employee turnover by reason                  | N/A               | ⬇        | ⬇         | N/A              | ⬇         |   |

<sup>1</sup> For the current reporting year, all 'last year' Meliadine movements are considered neutral, as 2017 represents the first year of major construction activities and therefore has no comparable year against which to measure trends.

| Metric   | Meadowbank trends |          |           | Meliadine trends |           | Interpretation   |
|--|-------------------|----------|-----------|------------------|-----------|--|
|  | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |  |
| Percent turnover by community  | N/A               | ↑        | ↑         | N/A              | ↓         | Meliadine's turnover rate for permanent Inuit employees continued a sharp 2-year decline in 2017, with 0 employee turnover, while it's temporary employee turnover rate remained similar to Meadowbank's at 55%. Of the 6 Inuit employees comprising 2017 turnover, 4 resigned and 2 were dismissed.<br>2017 saw a large increase in turnover in Meadowbank employees from Coral Harbor and Naujaat, with nearly as many employees leaving as were working there when the annual snapshot was taken (just over for Coral Harbor at 109% and just under at Naujaat at 92%). |
| <b>VSEC 2. INCOME</b>  |                   |          |           |                  |           |  |
| 2.1 Income paid to projects' Inuit employees   |                   |          |           |                  |           |  |
| Income paid to Agnico Eagle project Inuit employees  | N/A               | ↑        | →         | N/A              | ↑         | 2017 total income paid to Agnico Eagle's Inuit employees remained relatively stable from the previous year at \$19.4M. This follows a steady annual increase between 2013 and 2016, with the 2015 and 2016 increase largely attributable to increased activity at Meliadine.   |
| 2.2 Income by Kivalliq community   |                   |          |           |                  |           |  |
| Median employment income of tax filers by Kivalliq community   | ↑                 | ↑        | N/A       | ↑                | N/A       | The most recent data available for this indicator is from 2015. Median employment income has increased gradually overall in the Kivalliq region since 2006, with no significant inflection (i.e. change in growth rate) since 2010. Among the Kivalliq communities with highest levels of Meadowbank employment (Baker Lake, Rankin Inlet, and Arviat), only Rankin Inlet shows a significant increase in the income growth rate when comparing the 2006-2010 period to the 2010-2015 period.  |
| <b>VSEC 3. CONTRACT EXPENDITURES</b>   |                   |          |           |                  |           |  |
| 3.1 Contract expenditures  |                   |          |           |                  |           |  |
| Contract expenditures on NTI-registered businesses   |                   |          |           |                  |           | In 2017, contract expenditures doubled from a total of \$205M to \$408M across the two projects, largely due to increased spending at the Whale Tail site, as well as the start of construction at Meliadine.  |
| NTI expenditures   | N/A               | ↑        | ↑         | N/A              | ↑         | This increase corresponded with a decline in the total proportion of expenditures (Meadowbank, including Whale Tail, and Meliadine) going to NTI-registered vs. non-NTI registered firms, from 55% in 2016 to 47% in 2017. This decline in proportion is fully attributable to Meliadine spending, where the proportion declined from 55% in 2016 to 41% in 2017.  |
| Proportion NTI   | N/A               | ↑        | →         | N/A              | ↓         |  |
| 2017 NTI-registered business expenditures by Nunavut community   | N/A               | N/A      | N/A       | N/A              | N/A       | In 2017, just over half of the spending on NTI-registered firms went to firms located in Rankin Inlet, followed closely by Baker Lake and Iqaluit, with 23% each. Meliadine is expected to far exceed the FEIS predictions of \$175M contract spending on Kivalliq-based businesses over the 3.5-year construction phase.  |
| Contract expenditure on Nunavut-based businesses   |                   |          |           |                  |           | Total contract expenditures on Nunavut-based businesses more than doubled in 2017 from \$216M to \$511M. The proportion of contract expenditure spending on Nunavut-based businesses remained relatively stable at 59% over this time period across the two projects.  |
| Nunavut-based expenditures   | N/A               | ↑        | ↑         | N/A              | ↑         |  |
| Proportion Nunavut-based   | N/A               | I        | ↑         | N/A              | ↓         |  |
| Contract expenditures from Meadowbank on Baker Lake-based businesses and from Meliadine on Rankin Inlet-based businesses | N/A               | ↓        | ↑         | N/A              | ↑         | Meadowbank expenditures on Baker Lake-based businesses and Meliadine expenditures on Rankin Inlet-based businesses continued a 2-year upward trend in 2017, corresponding with construction at Meliadine and Whale Tail, respectively. The proportion of contract expenditures has risen by \$43M over the past two years in Baker Lake, although this is still less than when Meadowbank began operation. This suggests that spending has diversified to other communities across the territory.  |
| <b>VSEC 4. EDUCATION AND TRAINING</b>  |                   |          |           |                  |           |  |
| 4.1 Investment in school-based initiatives   |                   |          |           |                  |           |  |
| Agnico Eagle investments in school-based initiatives   | N/A               | ↓        | ↑         | N/A              | ↑         | Up until 2014, Agnico Eagle contributed approximately \$284K/year to a variety of school-based initiatives. With the expiry of the MOU with the Department of Education in 2015, these contributions dropped to \$39K. They remained unchanged in 2016 and rose to \$55K in 2017 due to a doubling of scholarship funding.   |
| 4.2 Secondary school graduation by region  |                   |          |           |                  |           |  |

| Metric   | Meadowbank trends |          |           | Meliadine trends |           | Interpretation  |
|--|-------------------|----------|-----------|------------------|-----------|---|
|  | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |   |
| Secondary school graduation rate by region   | ↑                 | ↑        | N/A       | ↑                | N/A       | The graduation rate in Kivalliq region fluctuates from year to year, though shows an overall upward trend that began in 2008. Rates have been at all-time highs for the region, and consistently higher than those in the other two regions, since 2010.  |
| 4.3 Project training and education   |                   |          |           |                  |           |   |
| Agnico Eagle investments in mine training and education programs                         | N/A               | →        | ↓         | N/A              | ↓         | From 2014 to 2016, there was a consistent level of investment by Agnico Eagle (~\$2.3M/year) in external mine training programs (e.g. Kivalliq Mine Training Society). In 2017, this dropped to \$195K as the KMTS lost their federal funding; the future of the organization is currently uncertain.   |
| Average mandatory training hours provided to Agnico Eagle Inuit employees                | N/A               | ↑        | →         | N/A              | ↑         | In 2017, mandatory training hours remain fairly stable at Meadowbank, indicative of steady rates of turnover. These hours have increased at Meliadine, likely due to the influx of new employees. Specific training hours declined at Meadowbank from 84 hours / Inuit FTE in 2015, down to 51 hours in 2017, while Meliadine values have fluctuated from 28 in 2015 to 10 in 2016 and up again to 25 in 2017. Annual fluctuations in the number of training hours largely reflect changing demand for additional positions and so are not considered negative or positive. |
| Average specific training hours provided to Agnico Eagle Inuit employees                 | N/A               | ↑        | ↓         | N/A              | ↑         |   |
| Participation in career and skills programs  | N/A               | /        | ↓         | /                | ↓         | Participants in TASK week and graduates from the Arviat Diamond Drillers and Welders Program had remained steady until last year, decreasing by 12 and 11 respectively. Meadowbank's Haul Truck Driver Program also saw a decline in 2017 from 34 to 26 participants. These fluctuations could be explained by the success of each program as well as changing demand for specific skills at Meadowbank.  |
| Meadowbank pre-apprenticeship and apprenticeship participation by type                   | N/A               | ↑        | ↑         | N/A              | N/A       | The number of Inuit apprenticeships increased by 3 in 2017. In addition to the number of Inuit participants, the apprenticeship program has seen growth over the past 4 years in diversity, moving from two offered programs in 2013 to seven in 2017.  |
| 4.4 Project employment by skill level  |                   |          |           |                  |           |   |
| Project Agnico Eagle Inuit employees by skill-level                                      | N/A               | ↑        | ↑         | N/A              | ↑         | 2017 has seen an increase in Inuit employees at higher skill levels, with the total number of skilled, management and professional employees rising from 6 in 2016 to 15 in 2017.   |
| VSEC 5. CULTURE AND TRADITIONAL LIFESTYLE  |                   |          |           |                  |           |   |
| 5.1 Perceptions of culture and traditional lifestyle                                     |                   |          |           |                  |           |   |
| Self-reported effect of project on culture and traditional activities                    | N/A               | N/A      | N/A       | N/A              | N/A       | Data currently unavailable.   |
| 5.2 Culture and traditional lifestyle  |                   |          |           |                  |           |   |
| Proportion of total population identifying Inuktitut as their mother tongue by community | →                 | ↓        | N/A       | ↓                | N/A       | The proportion of the population identifying Inuktitut as their mother tongue has remained relatively stable in the smaller Kivalliq communities from 2006 to 2016, but has declined in Rankin Inlet, Baker Lake, and Chesterfield Inlet (by 10 to 18 percentage points) over this period.  |
| Use of AWAR by community   | N/A               | ↑        | ↓         | N/A              | N/A       | The Agnico Eagle-owned and operated all-weather access road (AWAR) that connects Baker Lake to the Meadowbank mine is accessible to the communities for hunting purposes. Community members accessed the road 2366 times in 2015, 1874 times in 2016, and 1716 times in 2017.   |
| 5.3 Country food use at project  |                   |          |           |                  |           |   |
| Country food kitchen usage   | N/A               | →        | →         | N/A              | N/A       | Meadowbank has maintained its practice of offering meals including char, muskox, and caribou (approximately 4,500 meals/year, or one per month per employee, since 2011). At Meliadine, Agnico Eagle offered about 21 meals with Arctic char this past year, twice on a five-week rotational schedule, which was consumed by approximately 50% of the staff.  |
| Country food night events  | N/A               | →        | ↓         | N/A              | N/A       | The number of country food events held at Meadowbank decreased from 14 in 2016 to 4 in 2017 – largely due to a lack of country food availability. Turnout for these events has averaged 36 attendees per event in 2016 and 43 in 2017. Agnico Eagle also offered country food at an event as a part of Pakallak Tyme, a cultural festival held in Rankin Inlet to celebrate the end of the Arctic winter and the coming of spring.  |
| VSEC 6. POPULATION DEMOGRAPHICS  |                   |          |           |                  |           |   |
| 6.1 Employee migration   |                   |          |           |                  |           |   |
| Project Agnico Eagle Inuit employees   |                   |          |           |                  |           | There has been a gradual increase in the number of Inuit Meadowbank workers who now reside in outside of Nunavut, from 7 in 2011 to 21 in   |

| Metric  | Meadowbank trends |          |           | Meliadine trends |           | Interpretation   |
|---|-------------------|----------|-----------|------------------|-----------|--|
|   | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |  |
| residing outside Nunavut  |                   |          |           |                  |           | 2015 (or 7% of the Inuit workforce), though this number has remained stable in 2016 and 2017. The FEIS predicts both “positive and negative components” of migration but does not refer to migration out of Nunavut.   |
| <i>Total Inuit employees</i>  | N/A               | ↑        | →         | N/A              | ↑         |  |
| <i>Proportion of Inuit to Non-Inuit employees</i>   | N/A               | ↑        | →         | N/A              | ↑         |  |
| 6.2 Population estimates in Kivalliq communities  |                   |          |           |                  |           |  |
| Population estimates of Kivalliq communities  |                   |          |           |                  |           | Yearly population estimates do not indicate an increase in the population growth rate of Baker Lake or of other communities with significant Meadowbank employment (Arviat, Rankin Inlet) since the mine opened, or relative to other communities in the region. If other factors (births and deaths) are assumed constant, the population data does not suggest significant migration to Baker Lake (or other communities with high Meadowbank employment).   |
| <i>Estimates in communities</i>   | ↑                 | ↑        | ↑         | ↑                | ↑         |  |
| <i>Annual percent change</i>  | →                 | →        | →         | →                | →         |  |
| VSEC 7. INDIVIDUAL AND COMMUNITY WELLNESS   |                   |          |           |                  |           |  |
| 7.1 Agnico Eagle Programs   |                   |          |           |                  |           |  |
| Agnico Eagle wellness programs offerings & utilization by project employees                   | N/A               | /        | /         | N/A              | /         | Meadowbank and Meliadine have a number of ongoing programs that offer readiness, counselling and support services to employees and their families. Due to difficulties in assessing participation in counselling programs (in part due to privacy issues), no trends can be drawn on employee targeted program utilization. Program utilization offered to communities has increased over the past two years – largely due to the new Mandatory Training (Site Readiness) and Work Readiness programs. |
| Agnico Eagle wellness programs offerings & utilization by community members                   | N/A               | ↑        | ↑         | N/A              | ↑         |  |
| 7.2 Perceptions of health & wellness  |                   |          |           |                  |           |  |
| Self-reported effect of project on health & wellness  | N/A               | N/A      | N/A       | N/A              | N/A       | Data for this metric is currently unavailable.   |
| 7.3 Criminal violations   |                   |          |           |                  |           |  |
| Criminal violations per hundred people by Kivalliq community                                  | ↑                 | →        | N/A       | ↑                | N/A       | Total criminal violation rates in Baker Lake and Rankin Inlet reached historic high levels in 2011 and 2012, following the opening of Meadowbank. Recent data (2017) indicates a continuing downward trend (since 2012) in criminal violations in Baker Lake, along with those in Arviat. However, Rankin Inlet and Chesterfield Inlet have seen sharp rises in criminal violations over the past one to two years.  |
| Criminal violations per hundred people by type (Baker Lake, Rankin Inlet, Chesterfield Inlet) |                   |          |           |                  |           |  |
| <i>Baker Lake</i>   | →                 | ↓        | ↓         | →                | ↓         |  |
| <i>Rankin Inlet</i>   | →                 | ↓        | ↑         | →                | ↑         |  |
| <i>Chesterfield Inlet</i>   | ↑                 | →        | ↑         | ↑                | ↑         |  |
| 7.4 Health centre visits  |                   |          |           |                  |           |  |
| Health centre/clinic visits by Kivalliq community by reason for visit                         | N/A               | N/A      | N/A       | N/A              | N/A       | Data for this metric is currently unavailable.   |
| 7.5 Housing   |                   |          |           |                  |           |  |
| Persons on waitlist for public housing by community   | /                 | /        | /         | /                | /         | The number of persons on a waitlist for housing has been increasing in Baker Lake and Arviat steadily since 2010. Rankin Inlet has seen a substantial decrease in wait lists over this same period. This may be the result of additional construction of private dwellings as an economic center for the region.   |
| 7.6 Food security   |                   |          |           |                  |           |  |
| Food security by region or community  | N/A               | N/A      | N/A       | N/A              | N/A       | Data for this metric is currently unavailable.   |
| 7.7 Suicide   |                   |          |           |                  |           |  |
| Suicides per 10,000 people by region  | /                 | /        | /         | /                | /         | There is a persistent and territory-wide suicide crisis in Nunavut. The factors contributing to suicide are numerous and complex, so it is difficult to assess impacts of Meadowbank on suicide rates. Community suicide rates (e.g. for Baker Lake) are highly variable from year to year. Trends are more apparent in long-term and/or regional data.  |
| VSEC 8. HEALTH AND SAFETY   |                   |          |           |                  |           |  |



| Metric   | Meadowbank trends |          |           | Meliadine trends |           | Interpretation   |
|--|-------------------|----------|-----------|------------------|-----------|--|
|  | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |  |
| 8.1 Health and safety training   |                   |          |           |                  |           |  |
| Average (per FTE) mandatory training hours provided to Agnico Eagle Inuit employees  | N/A               | /        | →         | N/A              | ↑         | A steady increase in overall mandatory training hours for full-time employees has occurred at both Meadowbank and Meliadine from 2015 to 2017. Health and safety training increased for Inuit and non-Inuit employees in 2017 at Meliadine.<br>None of the data collected permits an assessment of the impacts of Agnico Eagle's projects and their programs on the general health status of workers and their families.   |
| 8.2 Health and safety on-site  |                   |          |           |                  |           |  |
| Average (per-FTE) visits by project Agnico Eagle employees to clinic for work-related or other reasons                     | N/A               | ↓        | →         | N/A              | ↓         | There was a small rise in visits to Agnico Eagle clinics for work-related injuries in 2017, though this is largely accounted for by an increase in employment. Overall, the number of clinic visits has been fairly stable since 2012, and the clinic continues to serve an important function in addressing the health and medical needs of workers.  |
| Project combined lost-time and light duty accident frequency (per 200,000 person-hours)                                    | N/A               | ↓        | ↑         | N/A              | ↓         | Lost-time and light duty accident frequency decreased for four years in a row up to 2015 but increased in 2016 (from .57 to .72) and in 2017 to 1.62.  |
| VSEC 9. COMMUNITY INFRASTRUCTURE AND SERVICES  |                   |          |           |                  |           |  |
| 9.1 Use of GN health services  |                   |          |           |                  |           |  |
| Kivalliq community health centre visits per capita   | ↓                 | ↑        | N/A       | ↑                | N/A       | Per capita health centre visits in communities with the most Agnico Eagle employees (Baker Lake, Rankin Inlet, and Arviat) are beginning to show an upward trend, most notably in Baker Lake and Arviat. The number of employees referred to their community health care centres for personal or work-related reasons ranges from 14 to 58 people per year, though it is difficult to draw a relationship between changes in this indicator and use of GN Health Services. |
| Persons transported from site to access health services (province & Nunavut)   | N/A               | ↑        | ↓         | N/A              | ↑         |  |
| Incidents requiring use of GN health services  | N/A               | /        | ↓         | N/A              | ↑         |  |
| 9.2 Use of public infrastructure   |                   |          |           |                  |           |  |
| Estimates of use of public physical infrastructure directly related to Project (airports, port, meeting facilities, roads) | N/A               | N/A      | N/A       | N/A              | N/A       | The use of public physical infrastructure by Meadowbank and its employees consists primarily of the use of airports and has been relatively consistent since operation began in 2010. There are no indications of significant positive or negative impacts on this infrastructure. Having just begun construction and development in 2017, it is too soon to conclude what impacts Meliadine may be having on Rankin Inlet's airport or port.                              |
| All-weather access road (AWAR)   | N/A               | /        | ↓         | N/A              | N/A       |  |
| 9.3 Social assistance  |                   |          |           |                  |           |  |
| Per capita social assistance expenditures by community   | ↓                 | /        | N/A       | ↓                | N/A       | Despite declines from historical highs, social assistance data does not show a clear correlation between mine-related employment and social assistance requirements in Baker Lake or Arviat. Data suggests that both expenditures and percentage of households receiving social assistance have been declining in Rankin Inlet since Meadowbank opened.  |
| Percentage of households receiving social assistance by community  | ↓                 | ↓        | ↓         | ↓                | ↓         |  |
| VSEC 10. NUNAVUT ECONOMY   |                   |          |           |                  |           |  |
| 10.1 Royalties and taxes   |                   |          |           |                  |           |  |
| Project compensation, royalties and taxes paid   | N/A               | ↑        | ↑         | N/A              | ↑         | Cumulative project royalties, taxes and other payments paid by Agnico Eagle to the GN, GoC, NTI and KIA increased at both Meadowbank and Meliadine in 2017. At Meadowbank this is largely due to IIBA payments to the KIA following 2017 agreements. At Meliadine this is largely due to increases in payroll taxation following the onset of major construction.  |
| 10.2 Trade balance   |                   |          |           |                  |           |  |
| Nunavut trade balance  | ↓                 | ↑        | N/A       | ↑                | N/A       | Nunavut's net exports have increased steadily since 2008, following a dramatic increase in the trade deficit from 2006 to 2008 that was linked to the construction activities at Meadowbank. Since Meadowbank began operations in 2010, Nunavut's net exports have increased by approximately \$131M. No trend regarding the impacts of Meliadine on Nunavut's trade balance can be determined with the current available data.  |

|   | Meadowbank trends |          |           | Meliadine trends |           | Interpretation   |
|---|-------------------|----------|-----------|------------------|-----------|--|
| Metric  | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |  |
| 10.3 Nunavut GDP  |                   |          |           |                  |           |  |
| Nunavut GDP by all industries and mining, quarrying and oil & gas | ↑                 | ↑        | ↑         | N/A              | ↑         | Coinciding with Meadowbank becoming operational, Nunavut's GDP has grown at an average of 6% annually from 2009 to 2017. A sharp increase of 12% occurred in 2017.   |
| Nunavut GDP by all industries and mining, quarrying and oil & gas | ↓                 | ↑        | ↑         | N/A              | ↑         | According to the Conference Board of Canada, Meadowbank has been a driver of Nunavut's GDP growth, both during the construction of the mine and since production began in 2010. The 12% increase observed over the past year may in part be attributed to construction activities at Meliadine and Whale Tail, most notably a large increase in contract expenditures for the two construction projects. |

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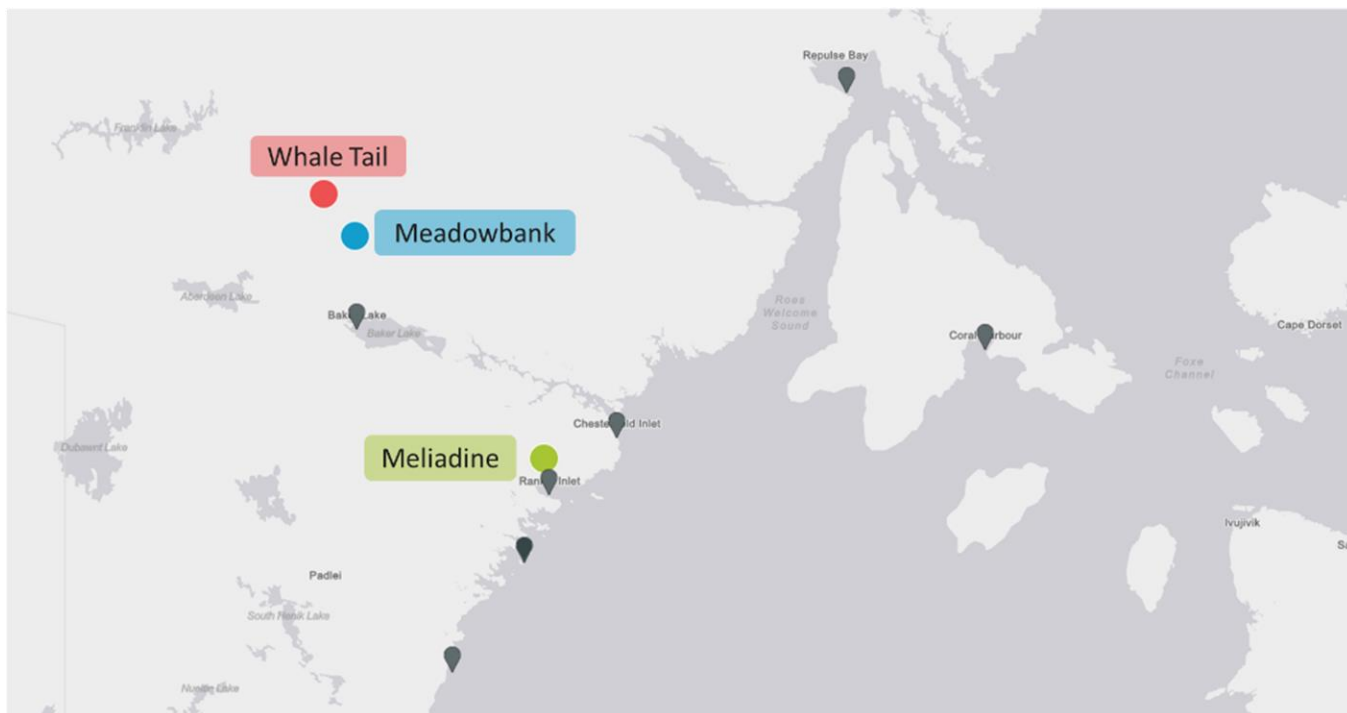
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# Introduction

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## The Agnico Kivalliq Projects

The Meadowbank and Meliadine gold mines are located in the Kivalliq region of Nunavut on Inuit owned lands (IOL). Meadowbank falls approximately 70 km north of the Hamlet of Baker Lake, or 110 km by road. Whale Tail, a satellite deposit to the Meadowbank mine, is located approximately 50km north of Meadowbank. Meliadine is located near the western shore of Hudson Bay, about 25 km north of Rankin Inlet.



Agnico Eagle Mines (AEM) acquired the Meadowbank property from Cumberland in 2007, with construction of the mine taking place between 2007 and 2010. The mine began production in 2011 and processes an average of 11,000 tonnes of ore per day from three deposits. As of December 31, 2017, Meadowbank had approximately 5 million tonnes of proven and probable reserves grading 2.28 grams of gold per tonne, containing 345,000 ounces of gold. It is expected to continue to produce gold until 2019, though the nearby Whale Tail development is expected to effectively extend the life of the mine for years to come.

About 290 km southeast of Meadowbank, Agnico Eagle's Meliadine gold project began construction and development activities in 2017. The project has approximately 16 million tonnes of proven and probable reserves grading 7.12 grams of gold per tonne, containing 3.7 million ounces of gold. Meliadine is forecast to begin operation in 2019, producing an estimated 5.7 million ounces of gold over a 15-year mine life. The project is expected to produce approximately 170,000 ounces of gold in 2019 and 385,000 ounces in 2020.

## Report Purpose

This report provides the results of the Agnico Eagle Projects Socio-Economic Monitoring Program (SEMP), developed in consultation with the Kivalliq Socio-Economic Monitoring Committee (SEMC). The purpose of this report is to:

- comply with the relevant sections of the **Nunavut Land Claims Agreement (NLCA)**,
- comply with the terms and conditions of the **Meadowbank Project Certificate** issued by the NIRB, including reporting on the socio-economic impact predictions made in Cumberland Resource's Final Environmental Impact Statement (Meadowbank FEIS);
- comply with the terms and conditions of the **Meliadine Project Certificate** issued by the NIRB, including reporting on the socio-economic impact predictions made in Agnico Eagle's Final Environmental Impact Statement (Meliadine FEIS);
- identify any **unanticipated effects** associated with the mines;
- identify and recommend **mitigation measures**;
- act as the primary vehicle for reviewing the findings of the SEMP in **collaboration** with members of the Socio-Economic Monitoring Committee (SEMC);
- fulfill best practices in **social responsibility**; and
- act as a **valuable resource** for communities, governments and interested stakeholders.

## Report Structure

The following two sections provide background information on the SEMP, including relevant context and methodology. The remainder of this report presents project-specific and public data related to 10 valued socio-economic components (VSECs) to ensure the requirements of individual project certificates are being adequately met. Additionally, whenever possible, the report provides a cumulative / regional lens to better identify and assess the effects of Agnico Eagle's projects on the Kivalliq region.

The report is organized by VSEC, including: a summary page describing the VSEC, relevant FEIS predictions, the associated indicators and metrics used to monitor the VSEC, and key findings; and descriptions of existing Agnico Eagle programs and practices that are relevant to performance (enhancing benefits or mitigating impacts) for indicators associated with that VSEC.

For each indicator, this report addresses the following:

- **Prediction:** Provide the prediction from the projects' FEIS against which the indicator will be assessed. This will include directionality and magnitude as well as specific targets/levels, where available.
- **Data and Trends:** Present and describe the indicator data in a clear manner through the use of charts, tables and text.
- **Interpretation:** Analyse the data and assess trends against the specific indicator prediction and impact / goal statements, more generally. Where possible, examine changes in trends over time with respect to the periods before and after the commenced operation, recognizing that isolating the effects of individual projects will become challenging with multiple operations in the region.

# Context

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## Socio-Economic Monitoring Committees

In 2007, the Government of Nunavut established three regional-based socio-economic monitoring committees (SEMCs) to monitor the socio-economic impacts of projects in each of the Territory's regions against project certificate terms and conditions specified by the NIRB. The SEMCs' Terms of Reference state that the committees will assist proponents in developing project monitoring programs and prepare reports and publish information on the impact of major development projects on the health and well-being of communities and residents in the region.

Both the Kivalliq and Meadowbank committees are required to produce annual monitoring reports, with the former focused at the level of the region and the latter at the project level. This system allows for project-level information to inform a regional picture of the socio-economic health of the Kivalliq, better capturing cumulative effects. This will become increasingly important as additional mining operations come on line in the region.

The first Meadowbank socio-economic monitoring report was completed in consultation with the Kivalliq SEMC and accepted by the Nunavut Impact Review Board in 2015. This is the first report produced under the new Agnico Eagle Projects SEMP, providing monitoring data for both Meadowbank and Meliadine. It builds on the foundation laid in the previous Meadowbank reports, evolving to address gaps, minimize overlap with regional SEMC reporting, increase consistency across SEM reports from different operators, and improve Agnico Eagle's and the SEMC's understanding of trends (i.e. relationships between indicators and causality). The Methods section of this report provides further information on the report's design, indicator selection and differences between this report and the previous report.

## NIRB Project Certificate Conditions

Conditions 63 and 64 of the Meadowbank Mine Project Certificate issued by the NIRB require that a Meadowbank SEMC be established and that the project proponent work with the Governments of Nunavut (GN) and Canada to develop a Terms of Reference for a Meadowbank Socio-Economic Monitoring Committee. Agnico Eagle submitted the Terms of Reference for the Meadowbank SEMC in July of 2007, satisfying Condition 63. In order to better reflect the socio-economic monitoring needs and priorities of the Meadowbank SEMC, the terms of reference were modified in 2012 (see Appendix A). Following a number of iterations and meetings, a Terms of Reference for the Meadowbank Socio-Economic Monitoring Program was finalized in October 2014, at the SEMC working group meeting in Baker Lake.

### **Meadowbank Project Certificate, Condition 63:**

*"Within six (6) months of the issuance of a Project Certificate, the GN and INAC shall form a Meadowbank Gold Mine Socio-Economic Monitoring Committee ("Meadowbank SEMC") to monitor the socio-economic impacts of the Project and the effectiveness of the Project's mitigation strategies. The monitoring shall supplement, not duplicate, the monitoring required pursuant to the IIBA negotiated for the Project, and on the request of Government or PC, could assist in the coordination of data collection and tracking data trends in a comparable form to facilitate the analysis of cumulative effects. The terms of reference shall focus on the Project, include a plan for ongoing consultation with KivIA (Kivalliq Inuit Association) and affected local governments and a funding formula jointly submitted by GN, INAC and Cumberland. The terms of reference shall be submitted to NIRB for review and subsequent direction within six (6) months of the issuance of a Project Certificate. Cumberland is entitled to be included in the Meadowbank SEMC." (Nunavut Impact Review Board, 2006, p. 20)*



**Condition 64:**

*“Cumberland shall work with the GN and INAC to develop the terms of reference for a socio-economic monitoring program for the Meadowbank Project, including the carrying out of monitoring and research activities in a manner which will provide project specific data which will be useful in cumulative effects monitoring (upon request of Government or NPC) and consulting and cooperating with agencies undertaking such programs. Cumberland shall submit draft terms of reference for the socio-economic monitoring program to the Meadowbank SEMC for review and comment within six (6) months of the issuance of a Project Certificate, with a copy to NIRB’s Monitoring Officer.” (Nunavut Impact Review Board, 2006, p. 20)*

**Meliadine Project Certificate, Condition 89**

*“The Proponent shall develop the Meliadine Socio-economic Monitoring Program to monitor the predicted impacts outlined in the FEIS as well as regional concerns identified by the Kivalliq Socio-economic Monitoring Committee (SEMC). Where possible, the Proponent is encouraged to work in collaboration with all other socio-economic stakeholders such as the KIA, GN, AANDC and the communities of the Kivalliq region in developing this program, which should include a process for adaptive management and mitigation in the event unanticipated impacts are identified. Details of the Meliadine Socio-economic Monitoring Program are to be provided to the NIRB upon finalization, and within one year of issuance of the Project Certificate.”*

## The Inuit Impact and Benefit Agreement (IIBA)

The original Inuit Impact and Benefits Agreement (IIBA) between Cumberland Resources and the Kivalliq Inuit Association (KIA) was signed in August of 2006. A Production Decision under the IIBA was given to the KIA by Agnico Eagle in December of 2007. This Production Decision was a key point in triggering many of the requirements under the IIBA and led to implementation of the agreement after Meadowbank went into production.

In 2009, Agnico Eagle and the KIA began a review of the IIBA with both parties suggesting changes in the text to refine and improve the functionality of the IIBA in achieving its objective of maximizing Inuit benefit from the Meadowbank Project in the form of employment, training and business opportunities. Agreement on a revised IIBA was subsequently reached with the final revised IIBA Agreement approved by the two parties on October 18, 2011. The IIBA for Meadowbank was renegotiated in 2017 and is well-aligned with the 2015/2017 Meliadine IIBA and 2017 Whale Tail IIBA.

A key feature of the IIBA was the establishment of an Implementation Committee with members from the KIA and Agnico Eagle to monitor and manage the implementation of the IIBA. The 2017 Meadowbank IIBA, following the structure established by the 2015/2017 Meliadine IIBA, also established the Employment and Culture Committee (ECC) and the Business Opportunities Committee (BOC). These three committees work together to consider Inuit employment, contracting, training and other project-related IIBA matters.

# Methods

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## Indicator Selection

In the summer of 2017, Agnico Eagle, with their partners in the SEMC, created the Agnico Kivalliq Projects Socio-economic Monitoring Program. This program provides the framework for socio-economic monitoring of Agnico Eagle's mineral projects in the Kivalliq Region of Nunavut. This includes monitoring against the predicted impacts described in the Final Environmental Impact Statements (FEIS) of each project, as well as the concerns and priorities identified by the Kivalliq Socio-Economic Monitoring Committee (Kivalliq SEMC). This program superseded the project-specific SEMP for the Meadowbank Gold Mine. By integrating multiple projects within a single monitoring framework, it aimed to promote consideration of cumulative impacts and streamline development and review of monitoring reports, while respecting the unique regulatory requirements of individual projects.

The Agnico Kivalliq Projects Socio-Economic Working Group (Working Group) was established to support the design and implementation of the SEMP. The Working Group supported the development of the Program framework and supported the identification of and access to priority data useful in improving the socio-economic performance of the projects.

Other key inputs into the development of the SEMP included:

- A Gap Analysis undertaken in June 2017 that reviewed the Meliadine FEIS, IIBA, Project Certificate and previous Meadowbank SEMP as well as data availability and reliability to develop a short-list of potential indicators for inclusion in the Program.
- Participation in a territorial socio-economic monitoring workshop to discuss and collaboratively develop a group of core indicators and identify and discuss common assessment methodologies, practices and challenges.

## Data Sources

Table 1 outlines the data sources for each metric. Data collected by Agnico Eagle cover the years 2010 (or 2011) to 2017. Data from non-project sources (e.g. GN departments, Nunavut Bureau of Statistics, StatsCan) often cover the years 2006 to 2016. For consistency, analysis typically begins in 2010, unless pre-2006 data is needed for a better understanding of baseline conditions prior to mine construction. Where Government of Canada census data is required, only 2006, 2011, and 2016<sup>2</sup> data is available and changes during intervening years cannot be reported.

For certain metrics reliant on non-project sources, data for the reporting year (2017) was not available at the time of publication. In some cases, there is a regular time lag in the release of data due to verification and approval requirements and only data up to 2015 or 2016 is reported. In other cases, data for the reporting year is expected but had not been made available at the time of report finalization. These cases are flagged for the reader wherever such data is presented.

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<sup>2</sup> Some 2016 census data was not yet released when this report was finalized.

## Analysis and Interpretation

Throughout this report, we present available data using a combination of narrative, tables and charts. We provide an interpretation of the data for each indicator, including identification of significant trends and an explanation for the trends where possible. Given the complexity of socio-economic phenomenon (i.e. multiple factors at play), there are limitations in establishing causal relationships between mining activities and certain and certain socio-economic indicators.

In addition, to the narrative interpretation provided for the indicators, summary tables are included at the front end of each VSEC section. These tables provide a high-level snapshot of trends for the various indicators and metrics through the use of arrows and symbols. These trends are considered separately for both Meadowbank and Meliadine. The dimensions are used to summarize trends in the summary table:

### Time horizon

The time horizons over which trends / movements are viewed.

- **Pre-development (pre-dev):** trend prior to the operation / construction phase of the project (2010 for Meadowbank; 2017 for Meliadine)
- **Post-development (post-dev):** trend from the onset of operation of Meadowbank (2010). As 2017 is the first year of major construction at Meliadine, post-development trends are not considered for the current reporting year.
- **Last year:** movement from 2016 to 2017

### Direction

The direction of movement of the indicator over the given time period.

- **↑:** Increasing
- **↓:** Decreasing
- **→:** Remaining stable
- **/:** No discernable trend
- **N/A:** Not applicable

### Value

The value of the movement / trend relating to the achievement of desired impacts or goals.

- **■ Positive:** change in indicator towards the achievement of the desired impact or goal
- **■ Negative:** change in indicator away from the achievement of the desired impact or goal
- **■ Neutral:** no observed change in indicator with regard to the achievement of the desired impact or goal

For the current reporting year, all 'last year' Meliadine movements are considered neutral, as 2017 represents the first year of major construction activities and therefore has no comparable year against which to measure trends.

## Involvement of Socio-Economic Monitoring Committee

Stratos engaged with members of the SEMC to ensure the content, structure, and look and feel of this report are as useful as possible. This engagement included ongoing discussions with GN's department of Economic Development and Transportation (who coordinate and chair the SEMC), as well as participation in the April 2018 SEMC meeting in Arviat at which Stratos presented a plain language summary of early results.

# VSEC 1: Employment

## IMPACT / GOAL STATEMENT

Increased, stable employment for Inuit (including women and challenged workers) across Kivalliq communities

## OVERARCHING FEIS PREDICTIONS

**Meadowbank:** “The potential impacts of employment are likely to take some time to gain full momentum, and overall are considered of high magnitude, positive, long term and of high significance, specifically to those individuals and their families who are able to benefit.” (Cumberland Resources, 2006, 120)

**Meliadine:** “Project would increase the demand for labour during construction and operational phases, which should lead to a considerable number of local jobs.” (Golder Associates, 2014, 1-C-46)

## TRENDS & INTERPRETATIONS

|   | Meadowbank trends |          |           | Meliadine trends |           |  |
|---|-------------------|----------|-----------|------------------|-----------|--|
| Metric  | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year | Interpretation   |
| 1.1 Total project employment (Agnico Eagle & contractors)       |                   |          |           |                  |           |  |
| Project employment (permanent, temporary, on-call & contractor) | N/A               | ➡        | 🔴         | N/A              | ⬆         | Total Meadowbank employment levels measured as a snapshot in December, were relatively stable in 2017 and continue to significantly exceed the levels predicted in the FEIS. Meliadine employment increased significantly in 2017, corresponding with the onset of major construction activity.  |
| 1.2 Project Inuit employment (Agnico Eagle)                     |                   |          |           |                  |           |  |
| Project Agnico Eagle employment (Inuit & non-Inuit)             |                   |          |           |                  |           | Meadowbank Agnico Eagle Inuit FTEs have been holding relatively steady for the past 3 years (221, 221 and 218), representing between 28% and 29% of the total Agnico Eagle workforce. Contractor Inuit employment over the same time timeframe increased from 25 to 48 – though this may be a result of better tracking in 2017 where FTES are used compared with employment numbers in prior years.   |
| Inuit FTEs  | N/A               | ➡        | ➡         | N/A              | ➡         |  |
| Inuit FTE rate  | N/A               | ➡        | ➡         | N/A              | ➡         |  |
| Project contractor employment (Inuit & non-Inuit)               |                   |          |           |                  |           | In 2017, there were 130 total Inuit FTEs at Meliadine (including both Agnico Eagle and contractor employees), representing approximately 18% of the workforce. This is below the Meliadine FEIS prediction of a 20% Inuit workforce during peak construction (340 employees). While the number of Meliadine Agnico Eagle FTEs has varied between 8 and 15 over the past five years, 2017 saw a sharp decline in the Inuit employment rate due to a large increase in non-Inuit employees. This may be explained by the requirements for more specialized labour during the construction phase.   |
| Employees / FTEs  | N/A               | ➡        | 🟢         | N/A              | ⬆         |  |
| Inuit employee / FTE rate                                       | N/A               | 🔴        | 🟢         | N/A              | ⬇         |  |
| 1.3 Project Agnico Eagle employment by Kivalliq community       |                   |          |           |                  |           |  |
| Project employment by Kivalliq community                        | N/A               | 🟢        | 🟢         | N/A              | ⬆         | In 2017, over half (53%) of Meadowbank’s Kivalliq-based employees were from Baker Lake and approximately 61% of Meliadine’s Kivalliq-based employees were from Rankin Inlet. Additionally, Arviat supplies a large and increasing proportion of Agnico Eagle’s Inuit workforce, reaching a high of 70 employees in 2017. Employees from the remaining Kivalliq communities (Chesterfield Inlet, Coral Harbour, Whale Cove and Nauyasat) rose in each community, increasing cumulatively from 26 employees to 44 between 2016 and 2017.   |
| 1.4 Project employment by gender                                |                   |          |           |                  |           |  |
| Project employment (gender)                                     |                   |          |           |                  |           | Agnico Eagle female employment at Meadowbank has been steadily increasing since 2013, from a low of 10% up to 20%. It is at its highest level since the mine began production and has now surpassed the Canadian mining sector average of 17%. Meliadine female employment has increased steadily, though the rate declined from 24% to 15% in 2017 due to a substantial increase in the number of employees and contractors for construction activity.  |
| employees   | N/A               | 🟢        | 🟢         | N/A              | ⬆         |  |
| rate  | N/A               | 🟢        | 🟢         | N/A              | ⬇         |  |
| 1.5 Project turnover  |                   |          |           |                  |           |  |
| Project turnover (Inuit & non-Inuit)                            | N/A               | 🔴        | 🔴         | N/A              | /         | The turnover rate for Meadowbank permanent Inuit employees remained stable in 2017 at 28%, while temporary employee turnover rate is showing signs of stabilizing near 50% following a drop from 2010 to 2014. Meliadine’s turnover rate for permanent Inuit employees continued a sharp 2-year decline in 2017, with 0 employee turnover, while it’s temporary employee turnover rate remained similar to Meadowbank’s at 55%. Of the 6 Inuit employees comprising 2017 turnover, 4 resigned and 2 were dismissed. 2017 saw a large increase in turnover in Meadowbank employees from Coral Harbor and Nauyasat, with nearly as many employees leaving as were working there when the annual snapshot was taken (just over for Coral Harbor at 109% and just under at Nauyasat at 92%). |
| Agnico Eagle Inuit employee turnover by reason                  | N/A               | 🔴        | 🔴         | N/A              | ⬇         |  |
| Percent turnover by community                                   | N/A               | 🔴        | 🔴         | N/A              | ⬇         |  |

## Understanding the trends & interpretations table

| Time horizon  | Direction  | Value  |
|---|--|--|
| <b>Pre-dev:</b> trend prior to the operation / construction phase of the project (2010 for Meadowbank; 2017 for Meliadine)<br><b>Post-dev:</b> trend from the onset of operation of Meadowbank (2010). As 2017 is the first year of major construction at Meliadine, post-development trends are not considered for the current reporting year.<br><b>Last year:</b> movement from 2016 to 2017 | ↑ Increasing<br>↓ Decreasing<br>→ Remaining stable<br>/ No discernable trend<br>N/A Not applicable | ■ <b>Positive:</b> change in indicator towards the achievement of the desired impact or goal<br>■ <b>Negative:</b> change in indicator away from the achievement of the desired impact or goal<br>■ <b>Neutral:</b> no observed change in indicator with regard to the achievement of the desired impact or goal |

## Existing Management & Mitigation

A number of programs are in place to encourage Inuit employment and retention at Meadowbank and Meliadine, as outlined in Table 2 below. Agnico Eagle offers programs to increase general educational and skills attainment among Kivalliq residents, facilitate entry into Meadowbank and Meliadine employment, as well as training, career development and upward mobility programs for existing employees. While many of these training programs are primarily relevant to VSEC 4: Education and Training, they are also discussed here due to a positive supporting effect on Inuit employment rates and retention.

Table 2: Agnico Eagle Employment Management and Mitigation Initiatives

| Program                              | Purpose / Description / Outcomes   |
|--------------------------------------|--|
| MOU with Department of Education     | <p>A Memorandum of Understanding was first signed in April 2012 to establish a strengthened partnership between the Government of Nunavut Department of Education and Agnico Eagle, with a focus on increasing the number of students in the Kivalliq region who are able to successfully transition from high school to trades and mining-related career opportunities. This work involved <i>Mining Matters</i>, a branch of the Prospectors and Developers Association of Canada (PDAC) that is dedicated to bringing knowledge and awareness about Canada's geology and mineral resources to students and educators. In 2013, Agnico Eagle and the <i>Mining Matters</i> group participated with the GN Department of Education, Curriculum Review Services to assist in a review of the Earth Sciences Curriculum of Nunavut Schools. During 2014, Agnico Eagle continued to sponsor the Mining Matters program as part of the MOU with Education.</p> <p>Agnico Eagle continued to pursue a renewed MOU with the Department of Education through 2016. In September 2017, Agnico Eagle and the Government of Nunavut established a Memorandum of Understanding that identifies 10 priority areas for collaboration, including education.</p> |
| Kivalliq Science Educators Community | <p>In 2017, Agnico Eagle once again invested \$25,000 for the 2017-2018 regional Math Camp, Science Camp and Kivalliq Science Fair programs operated by the Kivalliq Science Educators Community. The regional science camp was organized in Chesterfield Inlet and the weeklong program included a mix of traditional, cultural and educational studies related to sciences. The program provides science credits to participants.</p>  |

| Program   | Purpose / Description / Outcomes  |
|---|---|
| Kivalliq Mine Training Society  | <p>The KMTS is an Inuit-private sector partnership created to strengthen the Kivalliq region labour force through the creation and funding of training opportunities in the seven Kivalliq hamlets. The KMTS has also enjoyed financial support from the Nunavut Department of Economic Development and Transportation and Agnico Eagle Mines.</p> <p>A major focus of the KMTS program has been to support Agnico Eagle's Mine Training Initiatives, such as the Career Path, different trainee programs, pre-trades programs, work readiness programs and workplace literacy strategies. Prior to 2015 the KMTS also supported the development and delivery of the community-based Work Readiness to help prepare Inuit for employment opportunities. The KMTS also supported the Arviat Drillers program as well as some other community-based initiatives, such as the Making it Work program, which provided support to employees and their families to cope with the challenges that come with employment at a mine site.</p> <p>Since 2017 KMTS was no longer able to receive funding to support program delivery to Agnico Eagle and communities. Despite the lack of substantial funding, Agnico Eagle Mines did not reduce its training delivery since the company is strongly committed to developing the local workforce.</p> |
| Labour Pool Process   | <p>The Labour Pool Process (formerly 'Labour Pool Initiative'), implemented in 2014 and revised in 2015, is based on an agreement between Agnico Eagle and the KIA through the IIBAs to offer pre-employment opportunities to Inuit from all Kivalliq communities.</p> <p>The goal of the program is to pre-qualify candidates from Kivalliq communities through 5 steps: employment information sessions, online application (facilitated by Employment Information Sessions), the Work Readiness Program, mandatory trainings (more details provided below), and the Labour Pool List (facilitated by the Labour Pool Coordinator).</p>   |
| Labour Pool Process - Step 1: Employment Information Sessions             | <p>As part of the Labour Pool Process, employment information sessions are conducted in all Kivalliq communities. The purpose of the information sessions is to give information about the mines, the work lifestyle, and career opportunities as well as knowing how to apply online. In 2017, Agnico Eagle held employment information sessions in all seven communities on a quarterly basis.</p>  |
| Labour Pool Process – Step 2: Online Application (Community Coordinators) | <p>The first step in the Labour Pool Process is to apply online. In order to facilitate online application in the communities, Agnico has a Community Coordinator in each Kivalliq community who can deliver employment information sessions, and provide one-on-one assistance to interested candidates with their online application.</p>   |
| Labour Pool Process – Step 3: Work Readiness Training Program             | <p>In collaboration with the Kivalliq Mine Training Society (KMTS), Agnico Eagle developed a Work Readiness Training program as a pre-employment initiative. In 2017, the Work Readiness Training was delivered by Northern College. The Work Readiness program is the first step of the Labour Pool Process for those individuals who have applied online.</p> <p>The objective of the program is for Inuit workers to be better prepared for the work environment in an industrial setting. Graduates of the program are eligible to continue the Labour Pool Process and attend the mandatory trainings given on-site. The program provides coaching on a range of issues including: awareness of employers' unspoken expectations, communication in the workplace, and problem-solving skills for resolving workplace issues.</p> <p>The program was implemented in April 2013. The program is delivered over a five-day period at the community level and is scheduled throughout the year. In 2017, the program was delivered by a visiting instructor in six Kivalliq communities resulting in 240 participants from various communities, from which 84% successfully completed the program. Arviat runs its own Work Readiness training sessions and had 78 graduates in 2018.</p>  |

| Program  | Purpose / Description / Outcomes   |
|--|--|
| Labour Pool Process – Step 4: Mandatory Training Program (previously ‘Site Readiness’) | <p>The mandatory training program delivered on site is the second step of the Labour Pool process, following the Work Readiness Program. Graduates of the mandatory trainings are eligible to enter the Labour Pool.</p> <p>The Mandatory Training Program is a five-day training provided at the Meadowbank site. Throughout the week, participants are enrolled in diverse activities such as mandatory training sessions, site visits, job initiation, information sessions on training and career opportunities, as well as interviews and discussions on employment opportunities with a Human Resource representative to assess career ambitions and identify work interest.</p> <p>Afterwards, candidates wanting to work for the Camp Department are given short term on-call assignments. All other applicants become part of the Labour Pool list until a job opportunity matching their interest and competencies becomes available.</p> <p>In 2017, 193 individuals participated in Site Readiness, of which 173 successfully completed the program.</p>   |
| Labour Pool Process – Step 5: Labour Pool List   | <p>The Labour Pool List is a list of candidates who have successfully completed the steps of the Labour Pool Process. These candidates are now eligible for opportunities with Agnico Eagle or Agnico Eagle’s contractors. The list is managed by the Labour Pool Coordinator.</p>   |
| Summer Student Employment Program  | <p>Agnico’s companywide policy offers summer employment programs to the children of all Agnico employees (both Inuit and non-Inuit) that are undertaking postsecondary education. Summer job opportunities were also offered to Inuit students who are participating in post-secondary activity, even if they had no family relative working at the mine. Historically, there have been no applications to Agnico Eagle’s Summer Student program by the children of Inuit employees. The program will continue to be offered in 2018.</p> <p>In 2017, Agnico advertised a summer student program to attract Inuit post-secondary students from Kivalliq communities, including students enrolled in trades with the Nunavut Arctic College and with the Nunavut Sivuniksavut program. This program was offered and advertised in each Kivalliq Community. The posting attracted three eligible applicants, of which all were contacted. Two applicants declined the offer and one accepted but later resigned before starting employment.</p> <p>At the 2018 Socio-Economic Monitoring Committee (SEMC) meeting, the GN Department of Finance expressed that it was sometimes difficult to place summer student applicants. Agnico Eagle is open to working with the GN in potentially placing eligible and interested Inuit summer students at the projects, who can otherwise not be accommodated with the GN.</p> |
| Haul Truck Trainee Program   | <p>The Haul Truck Trainee program is a 28-day (336 hour) program to certify haul truck operators, which includes training on a simulator, in the classroom, and on the job. The program is aimed at existing employees in entry level positions (dishwashers, janitors, chambermaids, etc.).</p> <p>This year, 26 employees were enrolled in the Haul Truck Trainee Program. Among those, a total of 23 trainees successfully completed the Program (18 men, 5 women). In order to provide the best training possible to all the trainees, there is a maximum of 4 trainees at a time with one trainer.</p>  |
| Process Plant Trainee Program  | <p>With the success of the Haul Truck Trainee Program, a Process Plant Trainee Program was developed in 2015. The 28-day program provides employees with an understanding of the mining and milling process and trains them to be competent and certified to fill positions as a process plant helper or a utility person. In 2017, a total of five (5) employees enrolled in the program. Amongst those, two (2) were delivered to the Process Plant.</p>   |

| Program   | Purpose / Description / Outcomes   |
|---|--|
| Super Operator Program                            | <p>Implemented in the second half of 2016, the Super Operator Program is an extension of the Process Plant Trainee Program. This 168-hour training is provided to employees who have successfully completed the Process Plant Trainee Program. The extension of the Process Plant Trainee Program will consist in teaching the basics of maintenance principles in order to have employees with more diversified skills in the Process Plant Department. These employees will eventually be able to perform specific basic maintenance repairs throughout the plant. In 2017, every Inuit employee that was trained as a Process Plant Trainee received the Super Operator Training.</p>   |
| Arviat Community Training Programs                | <p>In 2011, the Hamlet of Arviat proposed a partnership to invest in a community-based drilling school that would provide Inuit with the skills needed to work in diamond drilling. With advice and support from Agnico Eagle, the Hamlet brought together a range of partners to acquire the drilling equipment, develop the curriculum, and operate the training program. Government training agencies, the KIA, and drilling companies provided partnership investments. In 2013, the program offering was expanded to include a Welder's Helper program. Agnico Eagle invested \$195,000 in the Arviat training programs in the 2017-2018 funding year.</p> <p>Over the past 5 years the program has graduated 65 trained driller's helpers, all of whom have found employment. In 2017-2018 funding year, the Mechanical Welding Program graduated 6 students.</p>  |
| Career Path Program                               | <p>The Career Path Program was designed in 2012, with the intention of supporting upward mobility of Inuit employees at Meadowbank. This program identifies the incremental steps that an employee is required to complete to advance in their chosen career of interest. In 2017, the Career Path system was available in eight (8) areas of activity; Underground (Meliadine only), Drill, Industrial Mechanic, Maintenance, Process Plant, Road Maintenance, Field Services, and Mine Operations.</p> <p>The objective of the Career Path Program is to have only internal promotions for Inuit, and for no external candidates (southerners) to be hired to fill a position that is part of the program.</p>   |
| Training Formula (formerly 'Training Curriculum') | <p>The Training Formula program, implemented in 2014, provides tools, tips, guideline and standards to improve the proficiency of Agnico trainers. The formal manual includes three sections: training theory, training standards, and training delivery.</p>  |
| E-Learning Training                               | <p>Before coming to an Agnico site for the first time, newly hired employees must complete their Mandatory Training online, which consists of six (6) modules: General Induction, WHMIS, Fire Suppression, Job Hazard Analysis and Work Card, Spill Response, and Occupational Health and Safety (Personal Protective Equipment, Ladder Safety, Surface Standard Operating Procedure). The General Induction chapter provides general information about Agnico Eagle and working life at the mines.</p> <p>As per the requirement of the IIBAs, in 2017 two new e-learning lessons were developed and added to the General Induction. The Inuit Impact and Benefit Awareness module (IIBA) provides general awareness on: Agnico's Commitment to Indigenous People, history of the Nunavut Agreement and the different Inuit organization branches, what an IIBA is and why the sites have one, and a high level overview of the benefits and impact mitigation provided through the IIBAs. The Archaeology module informs workers on how to identify potential archaeological sites (ex. fox traps, tent circles, hunting blinds) and what to do if a worker finds one when working in the tundra. An objective of these lessons is also to give each employee and contractor employee cross-cultural context before arriving on one of Agnico's sites.</p> |
| Training and Learning Management System           | <p>The Training Management System (TMS) as well as the Learning Management System (LMS) were initially implemented in 2013, in order to ensure better management of training activities and to monitor the proper management of the e-learning training. In response to the GN's request for increased information on training programs in 2014, both systems were modified in 2015. The systems are now capable of producing more detailed reports: by training program, by participation level, by graduation level and by hour.</p>   |



| Program   | Purpose / Description / Outcomes   |
|---|--|
| Apprenticeship Training ('Apprenticeship Program' and 'Pre-Apprenticeship Program') | <p>The Apprenticeship Program combines on-the-job learning and in-school technical instruction to allow Inuit employees the opportunity to be educated and trained in the trade of their choice. By the end of the program, the apprentice is able to challenge their Certificate of Qualification (COQ) to become a Journeyman and will also have the opportunity to challenge their Red Seal Exams. Currently, we offer seven (7) trades: cook, carpenter, millwright, electrician, heavy duty equipment technician, welder, and plumber.</p> <p>In 2015, two (2) employees completed their apprenticeship training within Agnico and in 2016, two (2) employees completed their apprenticeship training within the company. As of the end of 2017, there were 16 apprentices and pre-apprentices. There were no graduates for the 2017 year, but since the program takes time to complete, we are expecting to have three (3) graduates in the next two (2) years.</p>  |
| Role Model Program  | <p>The Role Model program began in 2015 as a way to recognize exemplary Inuit employees. Since then, it has grown into a program to: recognize the hard work of individual Inuit employees; identify examples to inspire Inuit employees, community members, youth, etc. on how to achieve personal and/or work success; and serve as an incubator program to identify and support future Inuit leadership in the company.</p> <p>Role models are nominated and chosen by a committee annually. They can be nominated and chosen for a variety of reasons, including demonstrating good work-life balance/dedication to upgrading one's education/skills; positive attitude; exemplifying traditional Inuit values at home or at work; overcoming personal challenges; involvement in communities; demonstrating leadership skills, etc. A Role Model is recognized through posters and is also provided opportunities to represent the company and speak on behalf of their own experiences at various events (trade shows, symposiums, high school visits, etc.). Some Role Models are also enrolled in the Leadership Development Program in order to continue to foster management and supervisory skills. In 2017, there were 8 Role Models at Meadowbank and 4 Role Models at Meliadine.</p> |
| TASK Week   | <p>The Trades Awareness Skills and Knowledge Week (TASK Week) was initiated in 2012 and has evolved in its structure through the years. TASK week is now a full week program that allows students to focus on one trade for the entire week. TASK week is also aligned with Agnico's IIBA commitment Schedule C, 16, by promoting the mine industry through career awareness and co-operating with educational authorities in the implementation of mining sector content in schools. TASK Week is a joint initiative between Jonah Amitnaaq Secondary School (JASS) and Agnico Eagle, and has active cooperation from other authorities and businesses each year.</p> <p>The 2017 TASK Week was held in Baker Lake from May 8th to May 12th and saw 58 senior high school students from JASS participate. Six (6) trades were featured: Mechanics, Welding, Electrical, Culinary Arts, Hairdressing, and Environmental Studies (which included Work Readiness training). In 2017 Agnico again brought trainers and apprentices/tradespeople from Meadowbank, including four of Meadowbank's Inuit apprentices/Red Seal, all from Baker Lake. Agnico believes that having students exposed to role models from their community has a positive impact on participants in the program.</p>           |

| Program                     | Purpose / Description / Outcomes   |
|-----------------------------|--|
| Financial Literacy Training | <p>In collaboration with CPA Canada, in 2017 a Financial Literacy training course was delivered at Meadowbank mine site. The need for financial literacy training was identified through the Baker Lake Wellness Plan. The training overviews why financial literacy is important, savings vehicles, budgeting, and goal setting. The training was held twice at Meadowbank with 33 participants, including Inuit participants.</p> <p>Modified Financial Literacy trainings were also held in Baker Lake, both at a public community session as well as delivery to grades 7-9 &amp; 12 at the Jonah Amitnaaq Secondary School.</p> <p>Basic financial literacy training is also included in the Work Readiness program. Agnico has also had preliminary discussions with the Nunavut Housing Corporation to include financial literacy information on site, on subjects like rent scales or home savings programs. Agnico Eagle plans to continue offering opportunities at both mine sites to improve financial literacy in 2018 in collaboration with Sunlife Financial.</p> |

## 1.1 Total project employment (Agnico Eagle & contractors)

### Predictions

#### MEADOWBANK

“It is expected that the construction phase workforce will average 160 and peak at 310, and the operation phase workforce is estimated at 370.”

#### MELIADINE

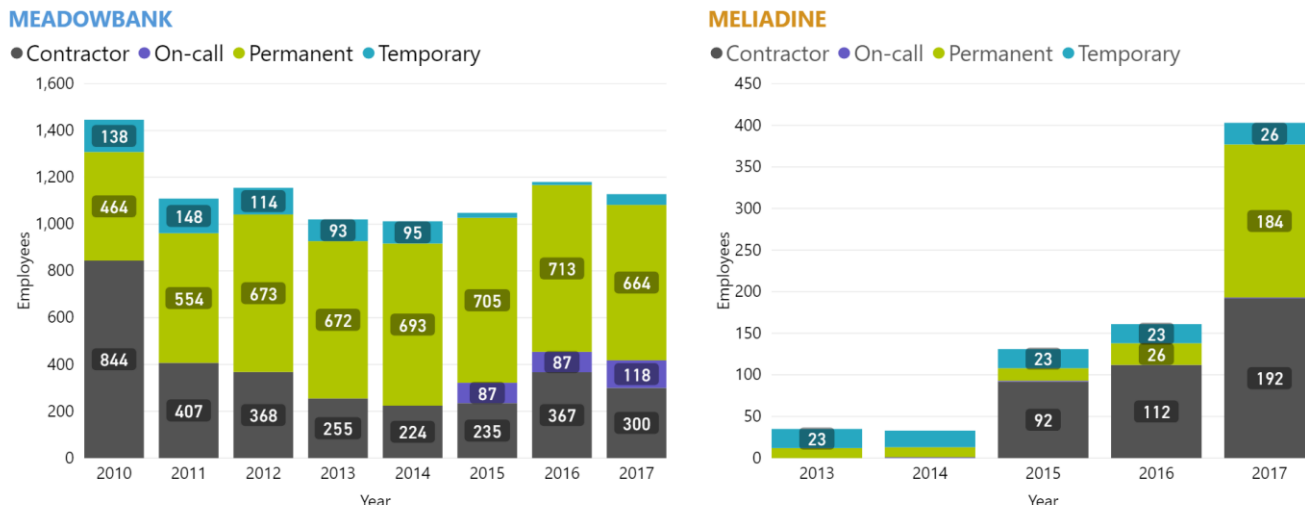
- “1700 positions, mostly contractors during construction phase” (Golder Associates, 2014, p. 1-117)
- “700 positions during operational phase” (Golder Associates, 2014, p. 1-118)

### Data & Trends

Chart 1 provides an overview of direct employment at Meadowbank and Meliadine. These numbers are measured as a snapshot of employment taken in December of each year. This data may differ largely from Full-Time Equivalent data (FTEs) – especially for contractors. Additional FTE descriptions and data are provided in the following section. Employees at the mines are divided into one of the following categories:

- *Permanent*: Agnico Eagle employees whose current jobs are not specifically tied to a short-term project, with positions expected to be required throughout the life of the mines
- *On-call*: Agnico Eagle employees with an indefinite contract who are called upon when the need arises
- *Temporary*: Agnico Eagle employees whose current job will not continue beyond a specified period of time (a set contract)
- *Contractors*: Employees of contractors

Chart 1. Project employment (permanent, temporary, on-call & contractor)



(Agnico Eagle Mines, 2017)

## Interpretations

The years between 2010 and 2012 saw Meadowbank moving from construction and commissioning phases to a fully operational mine. As is to be expected, this coincided with a movement away from contractors and towards employees hired by Agnico Eagle directly. An increase in contractors is noticeable again in 2016, due to increased activity at the Whale Tail site. The total Meadowbank employee figures to date have significantly exceeded the values predicted in the FEIS for employment at the mine, largely due to an expansion of the project scale from the initial Cumberland project proposal. The drop in Meadowbank temporary employees seen in 2015 and continuing in 2016 is largely due to Agnico Eagle shifting employees in certain departments to on-call status as turnover occurred. This was due to uncertainty about the Whale Tail project. Permanent employment also decreased by 7%, from 705 to 713 from 2016 to 2017, while on-call employees increased by 35%, from 87 to 118. With the approval of the Whale Tail project, this trend towards on-call status is expected to reverse in 2018.

Meliadine employment grew dramatically in 2017, coinciding with the movement of the advanced exploration project into the construction phase. This is most pronounced for contractors, with the number of FTE contractor employees jumping from 112 to 591 between 2016 and 2017. This number is still dramatically below the estimated 1700 positions predicted in the FEIS for the peak construction phase, estimated to be between Q3 2017 and Q2 2018. It should be noted that 2017 contractor figures for both Meliadine and Meadowbank are scientifically lower than the FTE values presented in the following section. This may be due to the timing of the snapshot data.

## 1.2 Project Inuit employment (Agnico Eagle)

### Predictions

#### MEADOWBANK

There are no specific predictions in the Meadowbank FEIS regarding Inuit or Nunavummiut employment rates at Meadowbank.

#### MELIADINE<sup>3</sup>

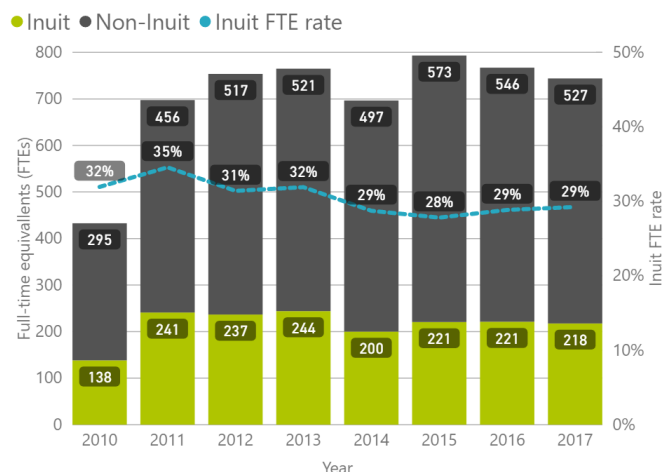
- 20% (340 positions) of peak construction phase workforce will be Inuit. (Golder Associates, 2014, p. 1-117)
- 20% (140 positions) of operational phase workforce will be Inuit. (Golder Associates, 2014, p. 1-118)

### Data & Trends

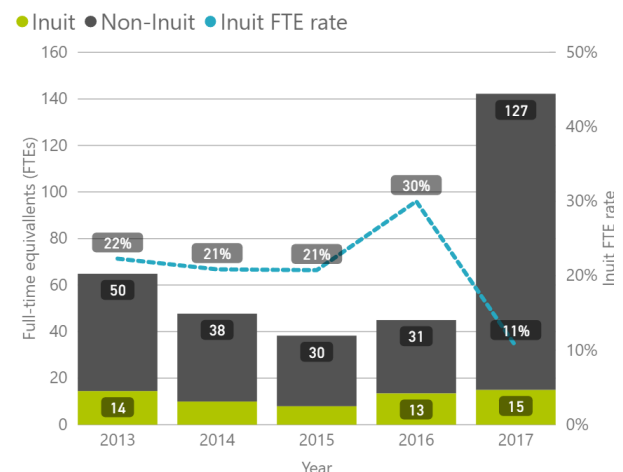
Chart 2 provides an overview of Agnico Eagle Inuit and non-Inuit full time equivalents (FTEs) at Meadowbank and Meliadine. FTEs are a way to control for differences in the number of hours worked by different individuals, thereby providing a more accurate and comparable picture of employment over time and between projects. One FTE represents 2,184 person-hours of work – or the approximate number of hours worked by one employee on a full-time basis for a year. In other words, in 2017, there was the equivalent of approximately 218 full-time Inuit employees working at Meadowbank. The blue lines are the Inuit FTE rate each year.

Chart 2. Project Agnico Eagle employment (Inuit & non-Inuit)

#### MEADOWBANK



#### MELIADINE



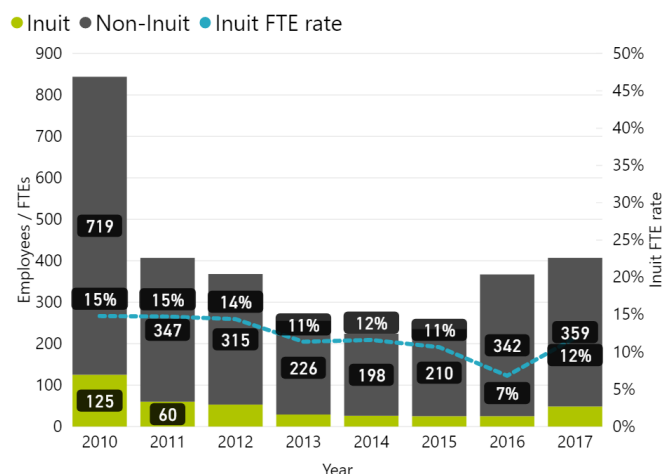
(Agnico Eagle Mines, 2017)

Chart 3 provides an overview of Agnico Eagle Inuit and non-Inuit employees / full time equivalents (FTEs) at Meadowbank and Meliadine.

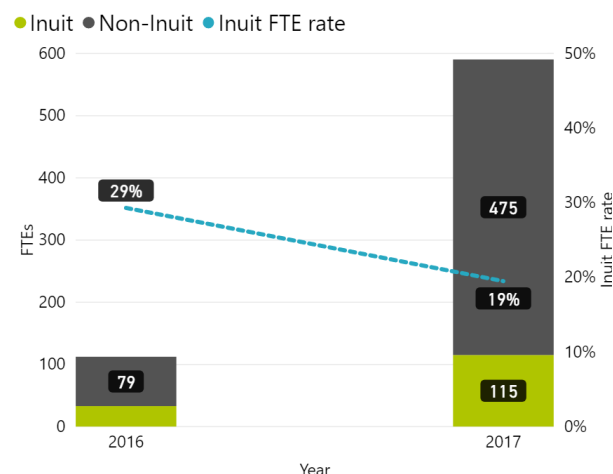
<sup>3</sup> Note that the Meliadine predictions include contractors.

Chart 3. Project contractor employment (Inuit & non-Inuit)<sup>4</sup>

#### MEADOWBANK



#### MELIADINE



(Agnico Eagle Mines, 2017)

## Interpretation

Meadowbank Agnico Eagle Inuit FTEs has been holding relatively steady for the past 3 years (221, 221 and 218), representing between 28% and 29% of the total Agnico Eagle workforce. There were no predictions made in the Cumberland FEIS regarding Inuit employment rates at Meadowbank.

In 2017, there were 130 total Inuit FTEs at Meliadine (including both Agnico Eagle and contractor employees), representing approximately 18% of the workforce. This is below the Meliadine FEIS prediction of a 20% Inuit workforce during peak construction (340 employees). While the number of Meliadine Agnico Eagle FTEs has varied between 8 and 15 over the past five years, 2017 saw a sharp decline in the Inuit employment rate due to a large increase in non-Inuit employees. This may be explained by the requirements for more specialized labour during the construction phase.

## 1.3 Project Agnico Eagle employment by Kivalliq community

### Predictions

#### MEADOWBANK

There are no specific predictions in the Meadowbank FEIS regarding Kivalliq community resident employment rates.

#### MELIADINE

There are no specific predictions in the Meadowbank FEIS regarding Kivalliq community resident employment rates.

### Data & Trends

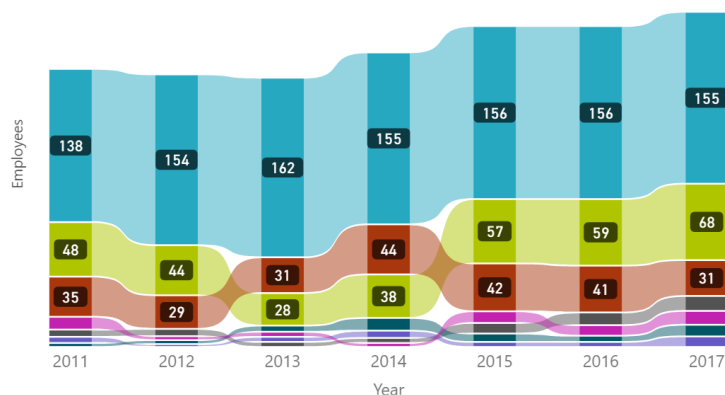
Chart 4 provides an overview of the total number of Inuit employees by community of hire in the Kivalliq. Note that the chart is displaying the number of employees (permanent, temporary and on-call) as opposed to FTEs as provided in the previous section.

<sup>4</sup> Due to data availability, 2017 Meadowbank contractor data and all Meliadine contractor data represent full time equivalents (FTEs), derived based on person-hours worked. The remainder of data points (Meadowbank 2010 to 2016) represent the number of employees as a snapshot at one time of year. Trends between these years should be interpreted with caution.

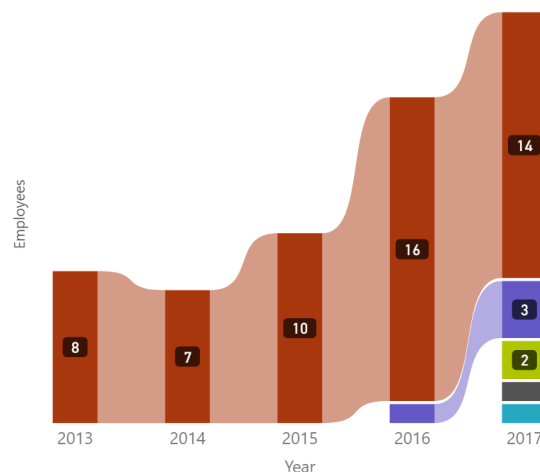
Chart 4. Project employment by Kivalliq community

#### MEADOWBANK

● Arviat ● Baker Lake ● Chesterfield Inlet ● Coral Harbour ● Naujaat ● Rankin Inlet ● Whale Cove



#### MELIADINE



(Agnico Eagle Mines, 2017)

### Interpretation

In 2017, over half (53%) of Meadowbank's Kivalliq-based employees were from Baker Lake and approximately 61% of Meliadine's Kivalliq-based employees were from Rankin Inlet. This likely reflects a number of factors, including: the size of those communities, the mines' proximities to the respective communities; preferential hiring provisions outlined in the IIBA to give preference to Inuit from those communities; as well as training and recruiting efforts by Agnico Eagle focused in Rankin Inlet and Baker Lake.

Additionally, Arviat supplies a large and increasing proportion of Agnico Eagle's Inuit workforce, reaching a high of 70 employees in 2017, up from 57 and 59 the previous 2 years. 2017 employment numbers for the remaining communities are: Chesterfield Inlet (13); Whale Cove (11); Coral Harbour (11); and Naujaat (9).

## 1.4 Project employment by gender

### Predictions

#### MEADOWBANK

There are no specific predictions in the Meadowbank FEIS regarding Kivalliq community resident employment rates.

#### MELIADINE

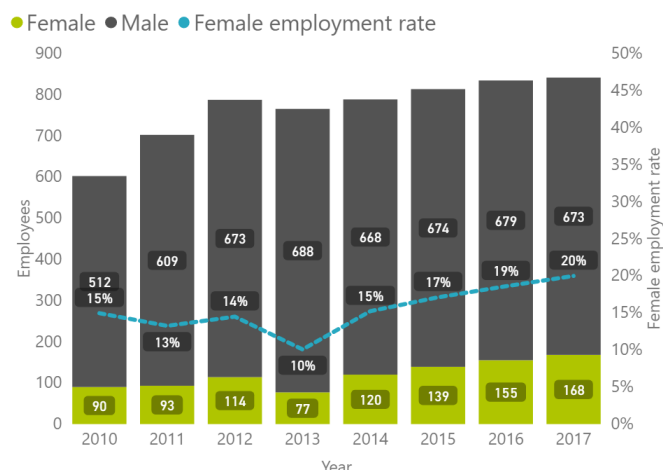
There are no specific predictions in the Meadowbank FEIS regarding Kivalliq community resident employment rates.

### Data & Trends

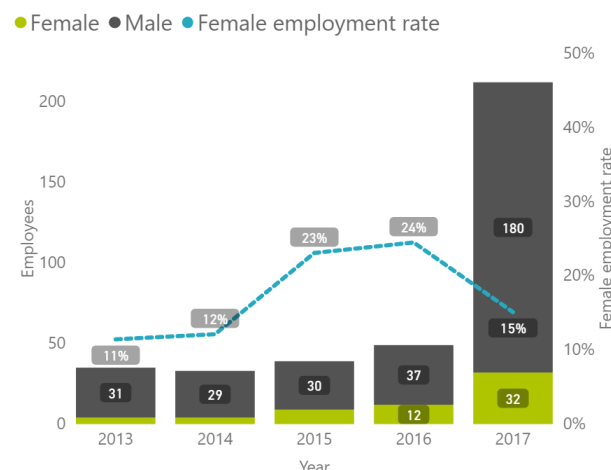
Chart 5 provides an overview of the number and rate of Agnico Eagle female employment at Meadowbank and Meliadine.

Chart 5. Project employment (gender)

#### MEADOWBANK



#### MELIADINE



(Agnico Eagle Mines, 2017)

## Interpretation

There are no formal goals for gender employment rates at either Meadowbank or Meliadine. Agnico Eagle female employment at Meadowbank has been steadily increasing since 2013, from a low of 10% up to 20%. It is at its highest level since the mine began production and has now surpassed the Canadian mining sector average of 17%. Meliadine female employment has increased steadily, though the rate declined from 24% to 15% in 2017 due to a substantial increase in the number of employees and contractors for construction activity.

During 2017, there were 116 permanent, 24 temporary and 53 on call female employees at both Meadowbank and Meliadine. Agnico Eagle participates in the Mining Industry Human Resource Council's *Gender Equity in Mining (GEM) Works Initiative*, which works towards achieving greater gender equality in the mining sector.

## 1.5 Project turnover

### Predictions

#### MEADOWBANK

There are no specific predictions in the Meadowbank FEIS regarding Kivalliq community resident employment rates.

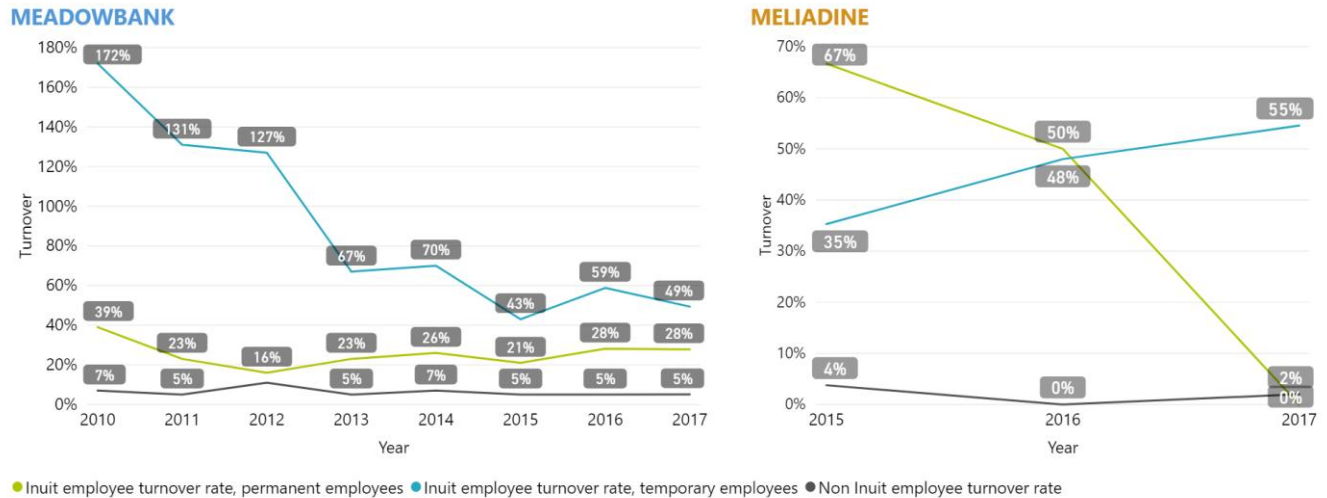
#### MELIADINE

There are no specific predictions in the Meadowbank FEIS regarding Kivalliq community resident employment rates.

### Data & Trends

Chart 6 below provides an overview of Inuit and non-Inuit turnover rates for permanent and temporary / on-call employees. Turnover rates are the percentage of Meadowbank employees that leave Agnico Eagle's employ during each fiscal year by dividing the number of terminations by the average number of employees in a given year.

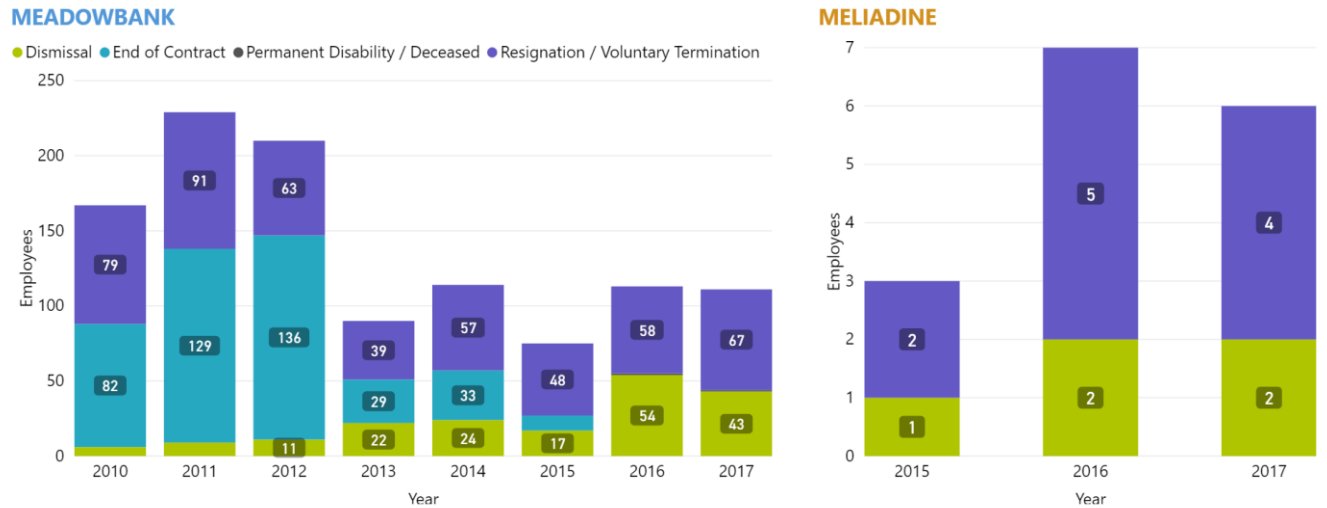
Chart 6. Turnover rates, 2010 – 2016 (Inuit and non-Inuit)



(Agnico Eagle Mines, 2017)

Chart 7 provides an overview of turnover by reasons for leaving at both Meadowbank and Meliadine.

Chart 7. Agnico Eagle Inuit employee turnover by reason



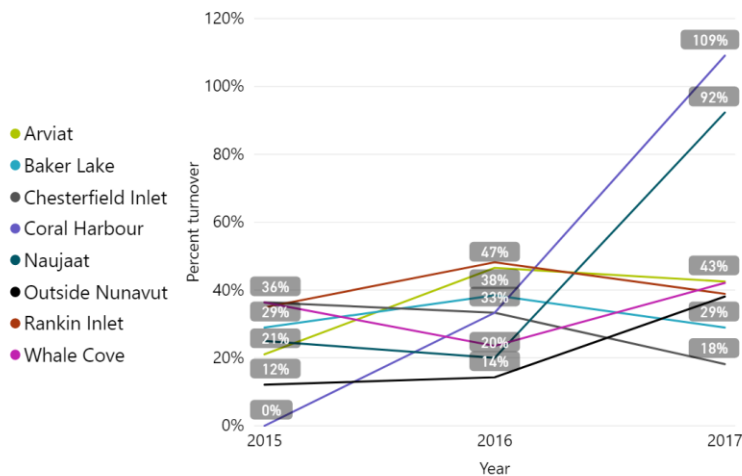
(Agnico Eagle Mines, 2017)

Chart 8 below shows the percentage of turnover by community for both projects for 2015 through 2017, the only years for which this data is currently available.

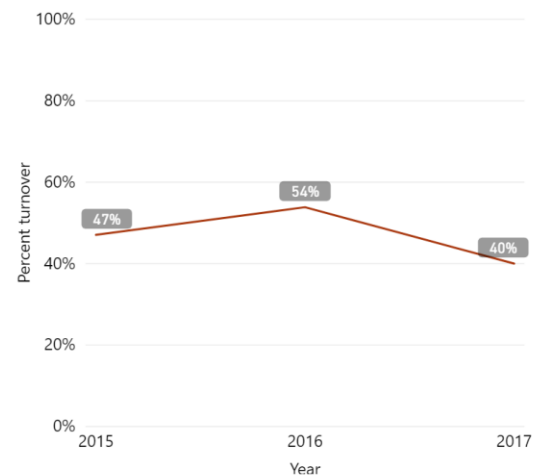


Chart 8. Percent turnover by community

#### MEADOWBANK



#### MELIADINE



(Agnico Eagle Mines, 2017)

Agnico Eagle conducts focus group meetings to gather information on reasons for resignation and voluntary termination. Interviews were used to collect qualitative information on common reasons why employees have left. This investigation and exit interview information collected since 2010 has led to the below list of reasons commonly cited in exit interviews. These include:

- Does not like the schedule/camp life
- Miss their family
- Found another job
- Family situation or spousal relationship issues
- Conflict with employee/supervisor
- No babysitter
- Does not like the job/lack of advancement

In 2017, the majority of resignations at Meadowbank were related to family situation (43%), followed by lack of childcare (14%) and dislike of the schedule or camp life (including homesickness) (14%). At Meliadine, almost all resignations were due to the employee finding another job (75%). This data should be interpreted with caution, as self-reported data may be subject to a number of reporting biases.

In 2017 Agnico Eagle and Kivalliq Inuit Association commissioned an Inuit Workforce Barriers Study, which is expected to be finalized mid-2018. The purpose of the study is to better understand existing barriers and develop potential strategies for Inuit employment at the project sites. The outcomes of this study will inform future SEMRs interpretation of turnover.

## Interpretation

Since 2010, turnover rate for Meadowbank permanent Inuit employees has been consistently higher than that for permanent non-Inuit employees (approximately four to six times higher over the past four years). The turnover rate for permanent Inuit employees remained stable in 2017 at 28%, up from 21% in 2015 but approximately the same as in 2014 (26%). Dismissals decreased in 2017, down to 43, after a jump in the previous year from 17 to 54. Meadowbank's drop in the temporary & on-call Inuit employee turnover rate between 2010 and 2013 is likely due the shift of temporary employees away from set-contracts (contracts with a defined end-point which therefore manifest as turnover) towards on-call temporary employees. These employees now have an indefinite contract

and are called upon when the need arises. This turnover rate increased to 59% in 2016 from a low of 43% in 2015.

2017 saw a large increase in turnover in Meadowbank employees from Coral Harbor and Naujaat, with near as many employees leaving as were working there when the annual snapshot was taken (just over for Coral Harbor at 109% and just under at Naujaat at 92%). While relatively small in number (6 for each community), this still represents a large increase from previous years, as well as a much higher value generally than can be found across employees coming from other Kivalliq communities.

Meliadine's turnover rate for permanent Inuit employees continued a sharp 2-year decline in 2017, with permanent 0 employee turnover, due in part to a small number of permanent employees (the number of permanent employees grew from 2 to 18 during 2017). In 2017 most Inuit employees were in temporary status. Of the 6 Inuit temporary employees comprising 2017 turnover, 4 resigned and 2 were dismissed.

# VSEC 2: Income

## IMPACT / GOAL STATEMENT

Increased income in Kivalliq communities

## OVERARCHING FEIS PREDICTIONS

**Meadowbank:** "The potential impacts of increased income are considered of high magnitude, positive, long-term and of high significance, particularly to those individuals and their families who are able to benefit. It is expected that overall community effects, moderate in significance, are likely to be most experienced in Baker Lake, as most direct employment will occur here." (Cumberland Resources Ltd., 2006, p. 121)

**Meliadine:** "Project would directly and indirectly contribute to disposable income of employees and other local people." (1-C-48)

## TRENDS & INTERPRETATIONS

| Metric   | Meadowbank trends |          |           | Meliadine trends |           | Interpretation  |
|--|-------------------|----------|-----------|------------------|-----------|---|
|  | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |   |
| 2.1 Income paid to projects' Inuit employees                 |                   |          |           |                  |           |   |
| Income paid to Agnico Eagle project Inuit employees          | N/A               | ↑        | →         | N/A              | ↑         | 2017 total income paid to Agnico Eagle's Inuit employees remained relatively stable from the previous year at \$19.4M. This follows a steady annual increase between 2013 and 2016, with the 2015 and 2016 increase largely attributable to increased activity at Meliadine.  |
| 2.2 Income by Kivalliq community                             |                   |          |           |                  |           |   |
| Median employment income of tax filers by Kivalliq community | ↑                 | ↑        | N/A       | ↑                | N/A       | The most recent data available for this indicator is from 2015. Median employment income has increased gradually overall in the Kivalliq region since 2006, with no significant inflection (i.e. change in growth rate) since 2010. Among the Kivalliq communities with highest levels of Meadowbank employment (Baker Lake, Rankin Inlet, and Arviat), only Rankin Inlet shows a significant increase in the income growth rate when comparing the 2006-2010 period to the 2010-2015 period. |

## Understanding the trends & interpretations table

| Time horizon   | Direction              | Value  |
|--|------------------------|--|
| <b>Pre-dev:</b> trend prior to the operation / construction phase of the project (2010 for Meadowbank; 2017 for Meliadine)               | ↑ Increasing           | ■ <b>Positive:</b> change in indicator towards the achievement of the desired impact or goal                   |
| <b>Post-dev:</b> trend from the onset of operation of Meadowbank (2010).   | ↓ Decreasing           | ■ <b>Negative:</b> change in indicator away from the achievement of the desired impact or goal                 |
| As 2017 is the first year of major construction at Meliadine, post-development trends are not considered for the current reporting year. | → Remaining stable     | ■ <b>Neutral:</b> no observed change in indicator with regard to the achievement of the desired impact or goal |
| <b>Last year:</b> movement from 2016 to 2017   | / No discernable trend |  |
|  | N/A Not applicable     |  |

# Existing Management & Mitigation

Programs aimed at encouraging greater educational attainment, recruiting local employees, supporting professional development and skill advancement, and increasing local contracting and business opportunities can all have a positive supporting effect on income indicators in the Kivalliq. These programs are outlined in the respective sections of this report (VSEC 1, 3 and 4).

## 2.1 Income paid to projects’ Inuit employees

### Predictions

#### MEADOWBANK

“Direct project wages paid to people in Kivalliq Region, primarily Baker Lake, could exceed \$4 M annually”

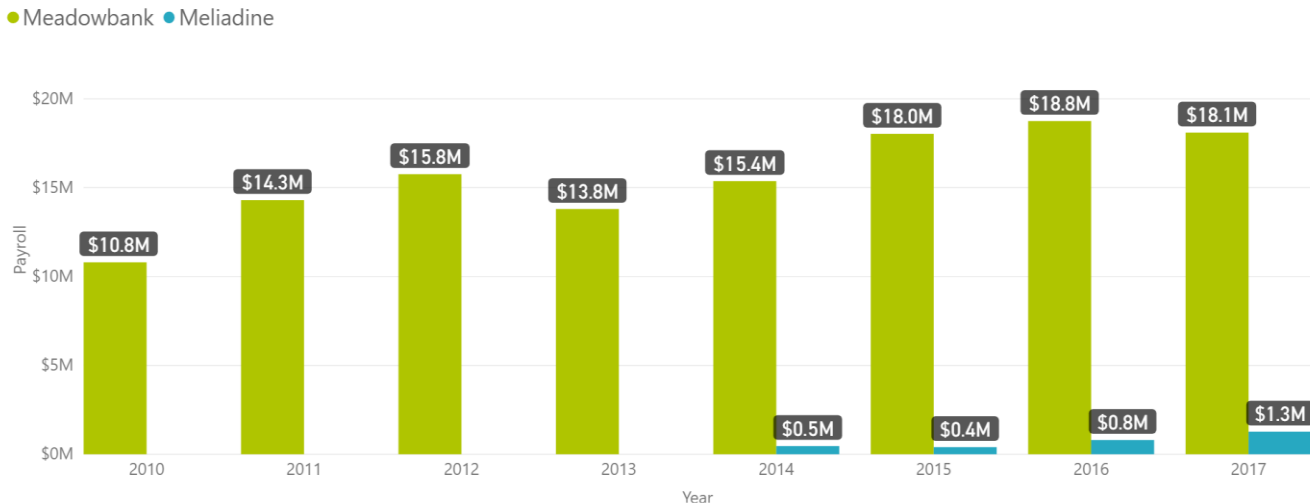
#### MELIADINE

“Project would directly and indirectly contribute to disposable income of employees and other local people.” (Golder Associates, 2014, 1-C-48)

### Data & Trends

Chart 9 shows employment income paid to Meadowbank’s Agnico Eagle Inuit employees from 2010 to 2017, as well as Income paid to Meliadine’s Agnico Eagle Inuit employees from 2014 to 2017. Meadowbank income data for certain years has been re-stated from previous reports to address past data collection gaps or errors.

Chart 9. Income paid to Agnico Eagle project Inuit employees



(Agnico Eagle Mines, 2017)

### Interpretation

2017 total income paid to Agnico Eagle’s Inuit employees remained relatively stable from the previous year at \$19.4M. This follows a steady annual increase between 2013 and 2016, with the 2015 and 2016 increase largely attributable to increased activity at Meliadine.

Meadowbank saw a 4% reduction in income paid to their Inuit employees in 2017, corresponding with a similar reduction in person-hours worked. With 89% of Meadowbank’s Inuit workforce residing in the Kivalliq region (50% in Baker Lake), income in 2017 continues to significantly exceed (by approximately 4.5 times) the FEIS prediction of \$4 million in direct project wages annually to Kivalliq residents.

Meliadine has seen income nearly double annually since 2015, corresponding to an increase in construction activity and employment. Meliadine’s FEIS does not offer any specific dollar-value predictions of income, instead noting an increase in disposable income of employees and other local people. The \$1.3M paid to Inuit employees in 2017 likely corresponds closely to the location of Meliadine’s Inuit workforce, with 87% residing in the Kivalliq, and 61% residing in Rankin Inlet.

Contractors working at both Meliadine and Meadowbank also have Inuit employees who receive income. In previous reports, this income was estimated based on the Inuit employment rates of contractors and contract value. Due to methodological concerns, these estimates are no longer included in this report.

## 2.2 Income by Kivalliq community

### Predictions

#### MEADOWBANK

The Meadowbank FEIS makes no specific predictions regarding changes in the median income of Kivalliq communities but does predict that Baker Lake will experience the most positive effects of increased income.

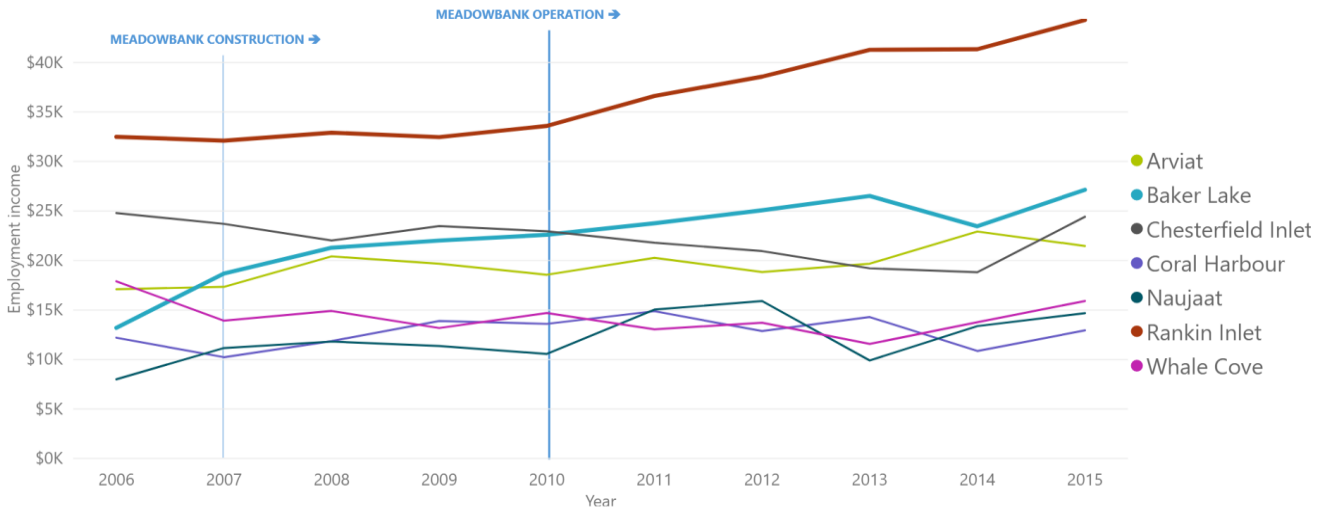
#### MELIADINE

“Project would directly and indirectly contribute to disposable income of employees and other local people.” (Golder Associates, 2014, 1-C-48)

### Data & Trends

Chart 10 shows the median income of tax filers in each Kivalliq community from 2000 through to 2015, the latest year for which data is available.

Chart 10. Median employment income of tax filers by Kivalliq community



(Statistics Canada, 2017c)

### Interpretation

As shown in Chart 10, median income in Baker Lake and Rankin Inlet have been above the median income for the Kivalliq region during several years since Meadowbank opened, including 2015. It is recognized that other factors influence median employment income in each community (spin-off effects, unrelated economic

development, changes in public sector employment, etc.) and that these factors may mask the effect of Meadowbank and Meliadine employment income, especially for communities that have relatively few Agnico Eagle employees or that have a high median employment income to start with (e.g. Rankin Inlet, as the Government of Nunavut regional centre for the Kivalliq Region, has significant public-sector employment).

Median employment income has increased gradually in the Kivalliq region since 2006, with no significant inflection (i.e. change in growth rate) since 2010. Among the Kivalliq communities with highest levels of Meadowbank employment (Baker Lake, Rankin Inlet, and Arviat), only Rankin Inlet shows a significant increase in income growth rate when comparing the 2006-2010 period to the 2010-2015 period. Employment income increased in 2015 in all Kivalliq communities, after a decline or stabilization in income in most communities in 2014.

# VSEC 3: Contracting and Business Opportunities

## IMPACT / GOAL STATEMENT

Increased opportunities for Inuit-owned and local businesses

## OVERARCHING FEIS PREDICTIONS

**Meadowbank:** "The potential impacts of employment are likely to take some time to gain full momentum, and overall are considered of high magnitude, positive, long term and of high significance, specifically to those individuals and their families who are able to benefit." (Cumberland Resources Ltd., 2006, p. 121)

**Meliadine:** "Project spending on goods and services would increase the demand locally, allowing local businesses (and new businesses) to grow and become more cost-effective." (1-C-47)

## TRENDS & INTERPRETATIONS

| Indicator / Metric   | Meadowbank trends |          |           | Meliadine trends |           | Interpretation   |
|--|-------------------|----------|-----------|------------------|-----------|--|
|  | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |  |
| 3.1 Contract expenditures  |                   |          |           |                  |           |  |
| Contract expenditures on NTI-registered businesses   |                   |          |           |                  |           | In 2017, contract expenditures doubled from a total of \$205M to \$408M across the two projects, largely due to increased spending at the Whale Tail site, as well as the start of construction at Meliadine.<br><br>This increase corresponded with a decline in the total proportion of expenditures (Meadowbank, including Whale Tail, and Meliadine) going to NTI-registered vs. non-NTI registered firms, from 55% in 2016 to 47% in 2017. This decline in proportion is fully attributable to Meliadine spending, where the proportion declined from 55% in 2016 to 41% in 2017. |
| <i>NTI expenditures</i>  | N/A               | ↑        | ↑         | N/A              | ↑         |  |
| <i>Proportion NTI</i>  | N/A               | ↑        | →         | N/A              | ↓         |  |
| 2017 NTI-registered business expenditures by Nunavut community   | N/A               | N/A      | N/A       | N/A              | N/A       | In 2017, just over half of the spending on NTI-registered firms went to firms located in Rankin Inlet, followed closely by Baker Lake and Iqaluit, with 23% each. Meliadine is expected to far exceed the FEIS predictions of \$175M contract spending on Kivalliq-based businesses over the 3.5-year construction phase.  |
| Contract expenditure on Nunavut-based businesses   |                   |          |           |                  |           | Total contract expenditures on Nunavut-based businesses more than doubled in 2017 from \$216M to \$511M. The proportion of contract expenditure spending on Nunavut-based businesses remained relatively stable at 59% over this time period across the two projects.  |
| <i>Nunavut-based expenditures</i>  | N/A               | ↑        | ↑         | N/A              | ↑         |  |
| <i>Proportion Nunavut-based</i>  | N/A               | /        | ↑         | N/A              | ↓         |  |
| Contract expenditures from Meadowbank on Baker Lake-based businesses and from Meliadine on Rankin Inlet-based businesses | N/A               | ↓        | ↑         | N/A              | ↑         | Meadowbank expenditures on Baker Lake-based businesses and Meliadine expenditures on Rankin Inlet-based businesses continued a 2-year upward trend in 2017, corresponding with construction at Meliadine and Whale Tail, respectively. The proportion of contract expenditures has risen by \$43M over the past two years in Baker Lake, although this is still less than when Meadowbank began operation. This suggests that spending has diversified to other communities across the territory.  |

## Understanding the trends & interpretations table

| Time horizon  | Direction              | Value  |
|---|------------------------|--|
| <b>Pre-dev:</b> trend prior to the operation / construction phase of the project (2010 for Meadowbank; 2017 for Meliadine)  | ↑ Increasing           | ■ <b>Positive:</b> change in indicator towards the achievement of the desired impact or goal                   |
| <b>Post-dev:</b> trend from the onset of operation of Meadowbank (2010). As 2017 is the first year of major construction at Meliadine, post-development trends are not considered for the current reporting year. | ↓ Decreasing           | ■ <b>Negative:</b> change in indicator away from the achievement of the desired impact or goal                 |
| <b>Last year:</b> movement from 2016 to 2017  | → Remaining stable     | ■ <b>Neutral:</b> no observed change in indicator with regard to the achievement of the desired impact or goal |
|   | / No discernable trend |  |
|   | N/A Not applicable     |  |

## Existing Management & Mitigation

The IIBA acts as the primary vehicle for increasing the level of Inuit participation in contracting. Details are provided in Table 3 below.

*Table 3: Agnico Eagle Contracting and Business Opportunities Management and Mitigation Initiatives*

| Initiative  | Purpose / Description / Outcomes  |
|---|---|
| Agnico Eagle Nunavut IIBA Procurement Process                             | Through the implementation of the Meliadine IIBA in 2015, Agnico Eagle moved to a prequalification procurement process, which requires all suppliers to prequalify in categories in order to submit a tender. Additionally, NTI-registered companies are eligible for preference points. This process replaces the Inuit Business Opportunities Initiative. In 2017 with the signing of the IIBAs for Meadowbank and Whale Tail, as well as the revision of the Meliadine IIBA, all three sites followed the new procurement process. and Whale Tail).  |
| IIBA Pre-qualification Assistance, Workshops and Entrepreneurial Training | As per the IIBAs, Agnico provides workshops and assistance to Inuit Firms to promote and facilitate their access to Agnico Eagle's business opportunities as well as entrepreneurial training and support to Inuit businesses. In 2017, Agnico Eagle partook in a number of activities to achieve the objectives of these requirements, including a workshop at the 2017 Kivalliq Trade Show in Rankin Inlet on prequalification and tendering, one-on-one contract management support, and supporting a CPA Canada Financial Training for businesses in Rankin Inlet on financial statements and money management and growth.<br><br>In 2018, Agnico Eagle is expanding its offerings in workshops and assistance through on-line and in-person lessons and trainings to interested businesses, and regular information and resources through a quarterly e-newsletter for businesses. |
| Inuit Arts and Crafts   | In 2017, Agnico Eagle invited local Arts and Crafts vendors at both sites to showcase work and sell to interested employees. Ivalu came to Meliadine during the site Pakallak Tyme festivals, and Jessie Oonark came to Meadowbank before Christmas. Both vendors visited their respective site twice to see both crews.<br><br>In 2017 Agnico Eagle and KIA worked on developing a list of Inuit arts and crafts dealers. In 2018 a strategy will be developed to facilitate internal purchasing (for gifts or prizes, for example). Agnico is also considering ways to include Agnico employees who are also artists in the strategy.   |

### 3.1 Contract expenditures

#### Predictions

##### MEADOWBANK

"With continuing preferential contracting, local business participation in the project is expected to grow with time." (Cumberland Resources Ltd., 2006, p. 7)

##### MELIADINE

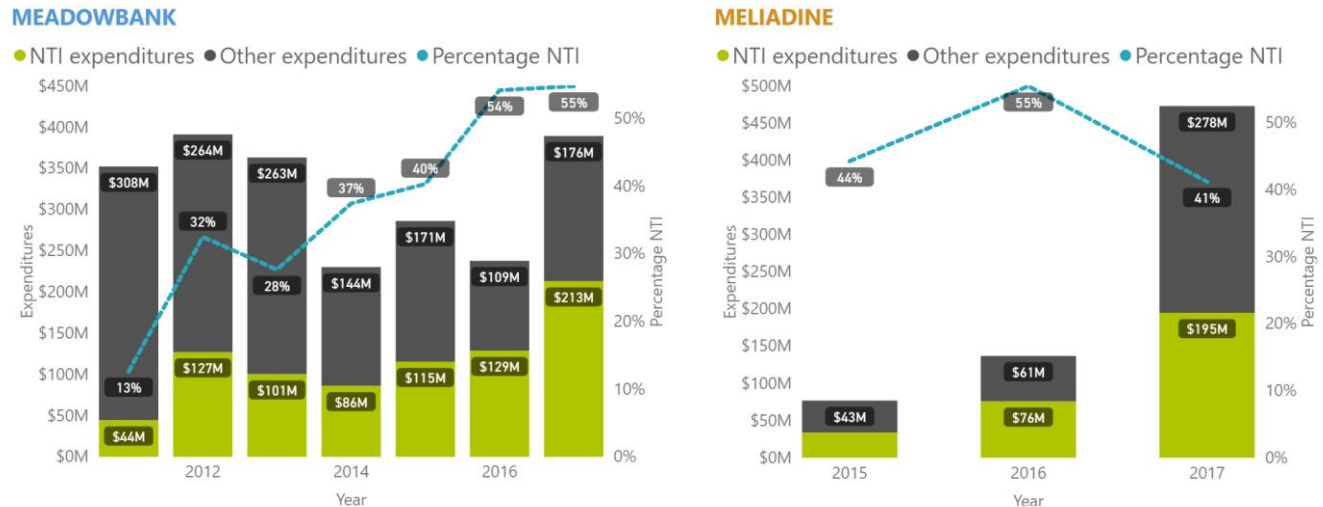
- \$866M (2012 dollars) over 3.5-year construction phase on contracted goods and services; 20% (\$175M) in Kivalliq (Golder Associates, 2014, 1-117)
- \$127M over 10-year operations phase; 20% (\$25M annually) in Kivalliq. (Golder Associates, 2014, 1-118)

#### Data & Trends

Chart 11 details the value and proportion of contract expenditures that went to Nunavut Tunngavik Incorporated (NTI)-registered businesses over time.



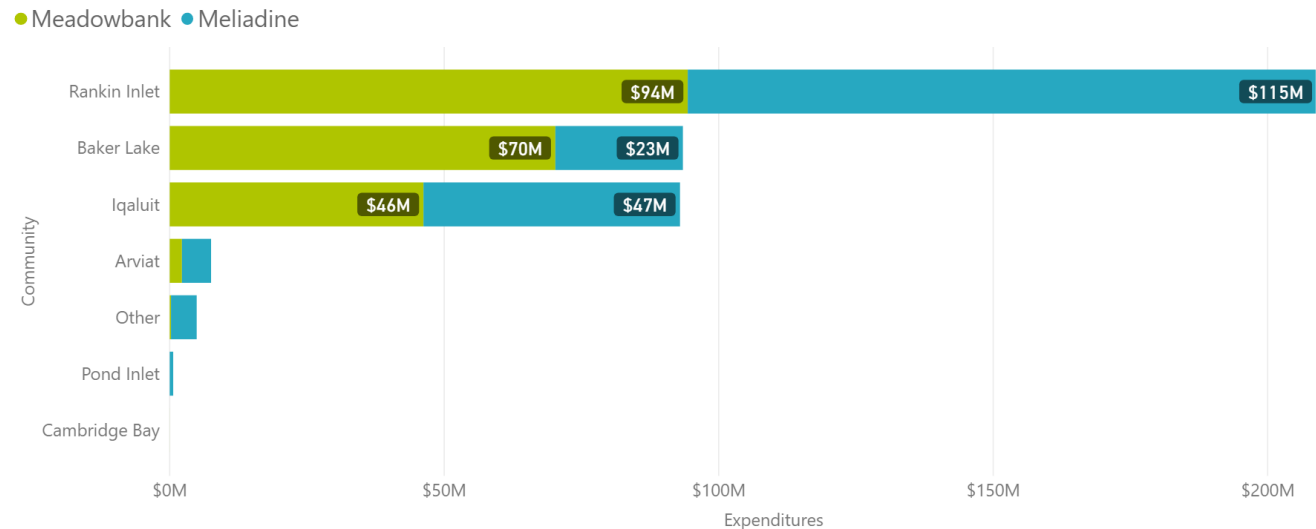
Chart 11. Contract expenditures on NTI-registered businesses



(Agnico Eagle Mines, 2017)

Chart 12 further breaks down contract expenditures on NTI-registered businesses in 2017 by the community in which those businesses are registered. This data is currently only available for 2017, though will be available for subsequent years in future reports.

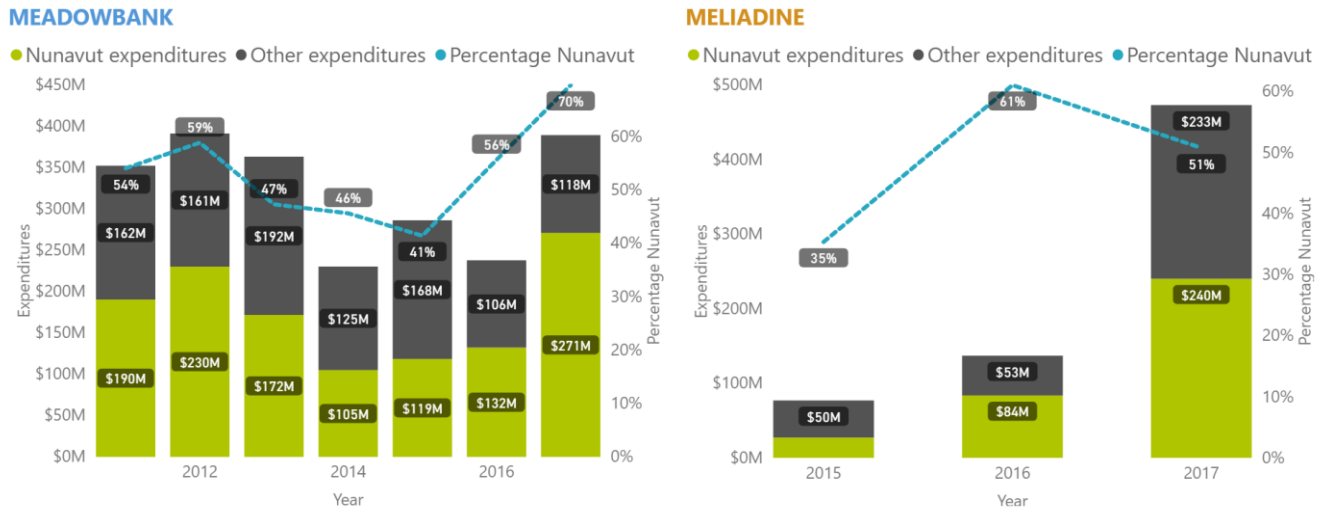
Chart 12. 2017 NTI-registered business expenditures by Nunavut community



(Agnico Eagle Mines, 2017)

Chart 13 details the value and proportion of contract expenditures that went to Nunavut-based businesses over time.

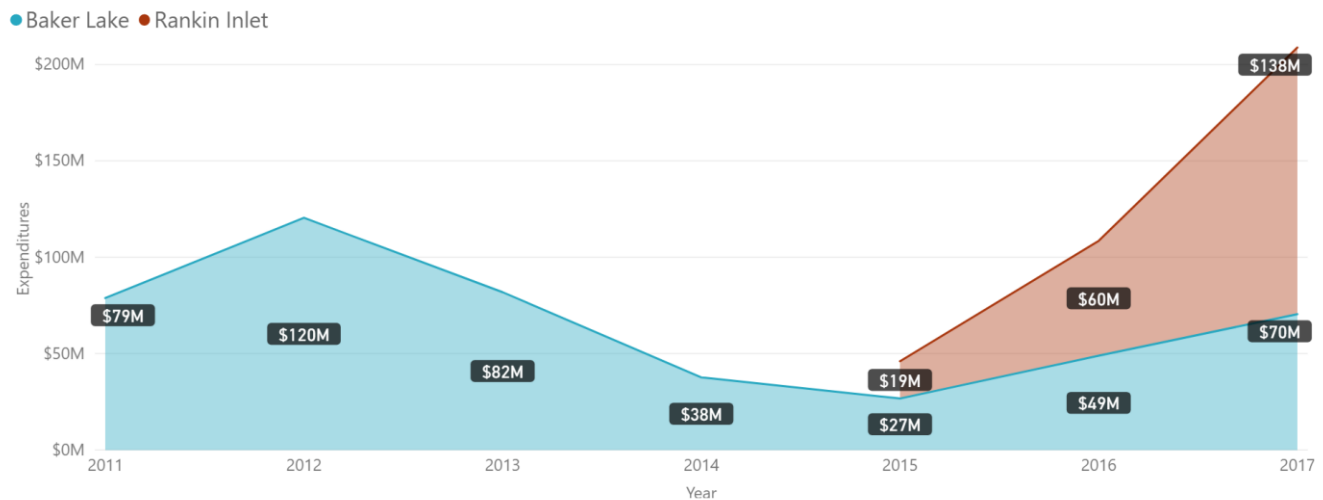
Chart 13. Contract expenditure on Nunavut-based businesses



(Agnico Eagle Mines, 2017)

Chart 14 shows the value from Meadowbank contract expenditures on Baker Lake-based businesses as well as the value of contract expenditures from Meliadine on Rankin Inlet-based businesses.

Chart 14. Contract expenditures from Meadowbank on Baker Lake-based businesses and from Meliadine on Rankin Inlet-based businesses



(Agnico Eagle Mines, 2017)

# Interpretation

NTI maintains a registry of Inuit firms in accordance with Article 24 of the *Nunavut Land Claims Agreement*. In 2017, expenditures on NTI-registered businesses essentially doubled from a total of \$205M to \$408M across the two projects. This sizable increase is largely attributable to increased spending at the Whale Tail site (captured as part of Meadowbank's spending), as well as the beginning of major construction at Meliadine.

This large dollar-value increase corresponded with a decline in the total proportion of expenditures going to NTI-registered vs. non-NTI registered firms, from 55% in 2016 to 47% in 2017 across the two projects. This decline in proportion is fully attributable to Meliadine spending, where the proportion declined from 55% in 2016 to 41% in

2017. There are a number of factors that may have contributed to this decline, including the need for specialized services not offered by local firms and the meeting of local business capacity. The proportion of Meadowbank spending on NTI-registered firms remained relatively steady in 2017 at 55%, following three years of steady increases. In 2017, just over half of the spending on NTI-registered firms went to firms located in Rankin Inlet, following closely by Baker Lake and Iqaluit, with 23% each.

Agnico Eagle's contract expenditures on Nunavut-based businesses (which includes NTI-registered businesses) more than doubled in 2017 from \$216M to \$511M, amounting to 70% of the total contract expenditures. The proportion of contract expenditure spending on Nunavut-based businesses remained relatively stable at 59% over this time period across the two projects. This increase in expenditures on Nunavut-based businesses above those on NTI-based businesses reflects additional spending on businesses located in the territory but which are not registered as Inuit firms through NTI – either because they do not meet the criteria or have not registered for other reasons. Meadowbank expenditures on Baker Lake-based businesses and Meliadine expenditures on Rankin Inlet-based businesses continued a 2-year upward trend in 2017, corresponding with construction at Whale Tail and Meliadine, respectively. Contract expenditures are still lower in Baker Lake than when Meadowbank opened, suggesting that spending has diversified to other communities across the territory.

Meliadine is expected to far exceed the FEIS predictions of \$175M (2012 dollars) of contracted goods and services from Kivalliq-based businesses over the 3.5-year construction phase, with the 2017 (the first year of major construction) value alone estimated at \$134M (2012 dollars<sup>5</sup>) in expenditures on Kivalliq-based, NTI-registered businesses.

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<sup>5</sup> 2012 dollars calculated with Bank of Canada's Inflation Calculator <https://www.bankofcanada.ca/rates/related/inflation-calculator/>

# VSEC 4: Education and Training

## IMPACT / GOAL STATEMENT

Improved educational attainment in Kivalliq communities, increasing mining-related skill level of Kivalliq workforce, and enhanced skill profile and promotion of Inuit employees.

## OVERARCHING FEIS PREDICTIONS

**Meadowbank:** “The potential impacts of education and training are considered of medium magnitude, positive, long term and of high significance, specifically to those individuals and their families who are able to benefit.” (Cumberland Resources Ltd., 2006, p. 121)

**Meliadine:** Improved educational attainment in Kivalliq communities (i.e. high school graduation rates), increasing mining-related skill level of Kivalliq workforce, and an enhanced skill profile and promotion of Inuit employees. (Golder Associates, 2014, p. 1-C-48)

## TRENDS & INTERPRETATIONS

| Metric  | Meadowbank trends |          |           | Meliadine trends |           | Interpretation   |
|---|-------------------|----------|-----------|------------------|-----------|--|
|   | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |  |
| 4.1 Investment in school-based initiatives                                |                   |          |           |                  |           |  |
| Agnico Eagle investments in school-based initiatives                      | N/A               | ↓        | ↑         | N/A              | ↑         | Up until 2014, Agnico Eagle contributed approximately \$284K/year to a variety of school-based initiatives. With the expiry of the MOU with the Department of Education in 2015, these contributions dropped to \$39K. They remained unchanged in 2016 and rose to \$55K in 2017 due to a doubling of scholarship funding.   |
| 4.2 Secondary school graduation by region                                 |                   |          |           |                  |           |  |
| Secondary school graduation rate by region                                | ↑                 | ↑        | N/A       | ↑                | N/A       | The graduation rate in Kivalliq region fluctuates from year to year, though shows an overall upward trend that began in 2008. Rates have been at all-time highs for the region, and consistently higher than those in the other two regions, since 2010.   |
| 4.3 Project training and education  |                   |          |           |                  |           |  |
| Agnico Eagle investments in mine training and education programs          | N/A               | →        | ↓         | N/A              | ↓         | From 2014 to 2016, there was a consistent level of investment by Agnico Eagle (~\$2.3M/year) in external mine training programs (e.g. Kivalliq Mine Training Society). In 2017, this dropped to \$195K as the KMTS lost their federal funding; the future of the organization is currently uncertain.  |
| Average mandatory training hours provided to Agnico Eagle Inuit employees | N/A               | ↑        | →         | N/A              | ↑         | In 2017, mandatory training hours remain fairly stable at Meadowbank, indicative of steady rates of turnover. These hours have increased at Meliadine, likely due to the influx of new employees.  |
| Average specific training hours provided to Agnico Eagle Inuit employees  | N/A               | ↑        | ↓         | N/A              | ↑         | Specific training hours declined at Meadowbank from 84 hours / Inuit FTE in 2015, down to 51 hours in 2017, while Meliadine values have fluctuated from 28 in 2015 to 10 in 2016 and up again to 25 in 2017. Annual fluctuations in the number of training hours largely reflect changing demand for additional positions and so are not considered negative or positive.                                |
| Participation in career and skills programs                               | N/A               | /        | ↓         | /                | ↓         | Participants in TASK week and graduates from the Arviat Diamond Drillers and Welders Program had remained steady until last year, decreasing by 12 and 11 respectively. Meadowbank's Haul Truck Driver Program also saw a decline in 2017 from 34 to 26 participants. These fluctuations could be explained by the success of each program as well as changing demand for specific skills at Meadowbank. |
| Meadowbank pre-apprenticeship and apprenticeship participation by type    | N/A               | ↑        | ↑         | N/A              | N/A       | The number of Inuit apprenticeships increased by 3 in 2017. In addition to the number of Inuit participants, the apprenticeship program has seen growth over the past 4 years in diversity, moving from two offered programs in 2013 to seven in 2017.   |
| 4.4 Project employment by skill level                                     |                   |          |           |                  |           |  |
| Project Agnico Eagle Inuit employees by skill-level                       | N/A               | ↑        | ↑         | N/A              | ↑         | 2017 has seen an increase in Inuit employees at higher skill levels, with the total number of skilled, management and professional employees rising from 6 in 2016 to 15 in 2017.  |

## Understanding the trends & interpretations table

| Time horizon  | Direction  | Value  |
|---|--|--|
| <b>Pre-dev:</b> trend prior to the operation / construction phase of the project (2010 for Meadowbank; 2017 for Meliadine)<br><b>Post-dev:</b> trend from the onset of operation of Meadowbank (2010). As 2017 is the first year of major construction at Meliadine, post-development trends are not considered for the current reporting year.<br><b>Last year:</b> movement from 2016 to 2017 | ↑ Increasing<br>↓ Decreasing<br>→ Remaining stable<br>/ No discernable trend<br>N/A Not applicable | ■ <b>Positive:</b> change in indicator towards the achievement of the desired impact or goal<br>■ <b>Negative:</b> change in indicator away from the achievement of the desired impact or goal<br>■ <b>Neutral:</b> no observed change in indicator with regard to the achievement of the desired impact or goal |

## Existing Management and Mitigation

Agnico Eagle offers a number of programs outlined in Table 4 below to increase general educational and skills attainment among Kivalliq residents as well as training, career development and upward mobility programs for existing employees.

Table 4: Agnico Eagle Employment Management and Mitigation Initiatives

| Program                               | Purpose / Description / Outcomes  |
|---------------------------------------|---|
| MOU with Department of Education      | <p>A Memorandum of Understanding was first signed in April 2012 to establish a strengthened partnership between the Government of Nunavut Department of Education and Agnico Eagle, with a focus on increasing the number of students in the Kivalliq region who are able to successfully transition from high school to trades and mining-related career opportunities. This work involved <i>Mining Matters</i>, a branch of the Prospectors and Developers Association of Canada (PDAC) that is dedicated to bringing knowledge and awareness about Canada's geology and mineral resources to students and educators. In 2013, Agnico Eagle and the <i>Mining Matters</i> group participated with the GN Department of Education, Curriculum Review Services to assist in a review of the Earth Sciences Curriculum of Nunavut Schools. During 2014, Agnico Eagle continued to sponsor the Mining Matters program as part of the MOU with Education.</p> <p>Agnico Eagle continued to pursue a renewed MOU with the Department of Education through 2016. In September 2017, Agnico Eagle and the Government of Nunavut established a Memorandum of Understanding that identifies 10 priority areas for collaboration, including education.</p>  |
| Kivalliq Science Educations Community | <p>In 2017, Agnico Eagle once again invested \$25,000 for the 2017-2018 regional Math Camp, Science Camp and Kivalliq Science Fair programs operated by the Kivalliq Science Educators Community. The regional science camp was organized in Chesterfield Inlet and the weeklong program included a mix of traditional, cultural and educational studies related to sciences. The program provides science credits to participants.</p>   |
| Kivalliq Mine Training Society        | <p>The KMTS is an Inuit-private sector partnership created to strengthen the Kivalliq region labour force through the creation and funding of training opportunities in the seven Kivalliq hamlets. The KMTS has also enjoyed financial support from the Nunavut Department of Economic Development and Transportation and Agnico Eagle Mines.</p> <p>A major focus of the KMTS program has been to support Agnico Eagle's Mine Training Initiatives, such as the Career Path, different trainee programs, pre-trades programs, work readiness programs and workplace literacy strategies. Prior to 2015 the KMTS also supported the development and delivery of the community based Work Readiness to help prepare Inuit for employment opportunities. The KMTS also supported the Arviat Drillers program as well as some other community-based initiatives, such as the Making it Work program, which provided support to employees and their families to cope with the challenges that come with employment at a mine site.</p> <p>Since 2017 KMTS was no longer able to receive funding to support program delivery to Agnico Eagle and communities. Despite the lack of substantial funding, Agnico Eagle Mines did not reduce its training delivery since the company is strongly committed to developing the local workforce.</p> |

| Program  | Purpose / Description / Outcomes   |
|--|--|
| Labour Pool Process  | <p>The Labour Pool Process (formerly 'Labour Pool Initiative'), implemented in 2014 and revised in 2015, is based on an agreement between Agnico Eagle and the KIA through the IIBAs to offer pre-employment opportunities to Inuit from all Kivalliq communities.</p> <p>The goal of the program is to pre-qualify candidates from Kivalliq communities through 5 steps: employment information sessions, online application (facilitated by Employment Information Sessions), the Work Readiness Program, mandatory trainings (more details provided below), and the Labour Pool List (facilitated by the Labour Pool Coordinator).</p>  |
| Labour Pool Process - Step 1: Employment Information Sessions                          | <p>As part of the Labour Pool Process, employment information sessions are conducted in all Kivalliq communities. The purpose of the information sessions is to give information about the mines, the work lifestyle, and career opportunities as well as knowing how to apply online. In 2017, Agnico Eagle held employment information sessions in all seven communities on a quarterly basis.</p>   |
| Labour Pool Process – Step 2: Online Application (Community Coordinators)              | <p>The first step in the Labour Pool Process is to apply online. In order to facilitate online application in the communities, Agnico has a Community Coordinator in each Kivalliq community who can deliver employment information sessions, and provide one-on-one assistance to interested candidates with their online application.</p>  |
| Labour Pool Process – Step 3: Work Readiness Training Program                          | <p>In collaboration with the Kivalliq Mine Training Society (KMTS), Agnico Eagle developed a Work Readiness Training program as a pre-employment initiative. In 2017, the Work Readiness Training was delivered by Northern College. The Work Readiness program is the first step of the Labour Pool Process for those individuals who have applied online.</p> <p>The objective of the program is for Inuit workers to be better prepared for the work environment in an industrial setting. Graduates of the program are eligible to continue the Labour Pool Process and attend the mandatory trainings given on-site. The program provides coaching on a range of issues including: awareness of employers' unspoken expectations, communication in the workplace, and problem-solving skills for resolving workplace issues.</p> <p>The program was implemented in April 2013. The program is delivered over a five-day period at the community level and is scheduled throughout the year. In 2017, the program was delivered by a visiting instructor in six Kivalliq communities resulting in 240 participants from various communities, from which 84% successfully completed the program. Arviat runs its own Work Readiness training sessions and had 78 graduates in 2018.</p> |
| Labour Pool Process – Step 4: Mandatory Training Program (previously 'Site Readiness') | <p>The mandatory training program delivered on site is the second step of the Labour Pool process, following the Work Readiness Program. Graduates of the mandatory trainings are eligible to enter the Labour Pool.</p> <p>The Mandatory Training Program is a five-day training provided at the Meadowbank site. Throughout the week, participants are enrolled in diverse activities such as mandatory training sessions, site visits, job initiation, information sessions on training and career opportunities, as well as interviews and discussions on employment opportunities with a Human Resource representative to assess career ambitions and identify work interest.</p> <p>Afterwards, candidates wanting to work for the Camp Department are given short term on-call assignments. All other applicants become part of the Labour Pool list until a job opportunity matching their interest and competencies becomes available.</p> <p>In 2017, 193 individuals participated in Site Readiness, of which 173 successfully completed the program.</p>   |
| Labour Pool Process – Step 5: Labour Pool List   | <p>The Labour Pool List is a list of candidates who have successfully completed the steps of the Labour Pool Process. These candidates are now eligible for opportunities with Agnico Eagle or Agnico Eagle's contractors. The list is managed by the Labour Pool Coordinator.</p>   |

| Program                            | Purpose / Description / Outcomes   |
|------------------------------------|--|
| Summer Student Employment Program  | <p>Agnico's companywide policy offers summer employment programs to the children of all Agnico employees (both Inuit and non-Inuit) that are undertaking postsecondary education. Summer job opportunities were also offered to Inuit students who are participating in post-secondary activity, even if they had no family relative working at the mine. Historically, there have been no applications to Agnico Eagle's Summer Student program by the children of Inuit employees. The program will continue to be offered in 2018.</p> <p>In 2017, Agnico advertised a summer student program to attract Inuit post-secondary students from Kivalliq communities, including students enrolled in trades with the Nunavut Arctic College and with the Nunavut Sivuniksavut program. This program was offered and advertised in each Kivalliq Community. The posting attracted three eligible applicants, of which all were contacted. Two applicants declined the offer and one accepted but later resigned before starting employment.</p> <p>At the 2018 Socio-Economic Monitoring Committee (SEMC) meeting, the GN Department of Finance expressed that it was sometimes difficult to place summer student applicants. Agnico Eagle is open to working with the GN in potentially placing eligible and interested Inuit summer students at the projects, who can otherwise not be accommodated with the GN.</p> |
| Haul Truck Trainee Program         | <p>The Haul Truck Trainee program is a 28-day (336 hour) program to certify haul truck operators, which includes training on a simulator, in the classroom, and on the job. The program is aimed at existing employees in entry level positions (dishwashers, janitors, chambermaids, etc.).</p> <p>This year, 26 employees were enrolled in the Haul Truck Trainee Program. Among those, a total of 23 trainees successfully completed the Program (18 men, 5 women). In order to provide the best training possible to all the trainees, there is a maximum of 4 trainees at a time with one trainer.</p>  |
| Process Plant Trainee Program      | <p>With the success of the Haul Truck Trainee Program, a Process Plant Trainee Program was developed in 2015. The 28-day program provides employees with an understanding of the mining and milling process and trains them to be competent and certified to fill positions as a process plant helper or a utility person. In 2017, a total of five (5) employees enrolled in the program. Amongst those, two (2) were delivered to the Process Plant.</p>   |
| Super Operator Program             | <p>Implemented in the second half of 2016, the Super Operator Program is an extension of the Process Plant Trainee Program. This 168-hour training is provided to employees who have successfully completed the Process Plant Trainee Program. The extension of the Process Plant Trainee Program will consist in teaching the basics of maintenance principles in order to have employees with more diversified skills in the Process Plant Department. These employees will eventually be able to perform specific basic maintenance repairs throughout the plant. In 2017, every Inuit employee that was trained as a Process Plant Trainee received the Super Operator Training.</p>   |
| Arviat Community Training Programs | <p>In 2011, the Hamlet of Arviat proposed a partnership to invest in a community-based drilling school that would provide Inuit with the skills needed to work in diamond drilling. With advice and support from Agnico Eagle, the Hamlet brought together a range of partners to acquire the drilling equipment, develop the curriculum, and operate the training program. Government training agencies, the KIA, and drilling companies provided partnership investments. In 2013, the program offering was expanded to include a Welder's Helper program. Agnico Eagle invested \$195,000 in the Arviat training programs in the 2017-2018 funding year.</p> <p>Over the past 5 years the program has graduated 65 trained driller's helpers, all of whom have found employment. In 2017-2018 funding year, the Mechanical Welding Program graduated 6 students.</p>  |

| Program   | Purpose / Description / Outcomes   |
|---|--|
| Career Path Program   | <p>The Career Path Program was designed in 2012, with the intention of supporting upward mobility of Inuit employees at Meadowbank. This program identifies the incremental steps that an employee is required to complete to advance in their chosen career of interest. In 2017, the Career Path system was available in eight (8) areas of activity; Underground (Meliadine only), Drill, Industrial Mechanic, Maintenance, Process Plant, Road Maintenance, Field Services, and Mine Operations.</p> <p>The objective of the Career Path Program is to have only internal promotions for Inuit, and for no external candidates (southerners) to be hired to fill a position that is part of the program.</p>   |
| Training Formula (formerly 'Training Curriculum')                                   | <p>The Training Formula program, implemented in 2014, provides tools, tips, guideline and standards to improve the proficiency of Agnico trainers. The formal manual includes three sections: training theory, training standards, and training delivery.</p>  |
| E-Learning Training   | <p>Before coming to an Agnico site for the first time, newly hired employees must complete their Mandatory Training online, which consists of six (6) modules: General Induction, WHMIS, Fire Suppression, Job Hazard Analysis and Work Card, Spill Response, and Occupational Health and Safety (Personal Protective Equipment, Ladder Safety, Surface Standard Operating Procedure). The General Induction chapter provides general information about Agnico Eagle and working life at the mines.</p> <p>As per the requirement of the IIBAs, in 2017 two new e-learning lessons were developed and added to the General Induction. The Inuit Impact and Benefit Awareness module (IIBA) provides general awareness on: Agnico's Commitment to Indigenous People, history of the Nunavut Agreement and the different Inuit organization branches, what an IIBA is and why the sites have one, and a high level overview of the benefits and impact mitigation provided through the IIBAs. The Archaeology module informs workers on how to identify potential archaeological sites (ex. fox traps, tent circles, hunting blinds) and what to do if a worker finds one when working in the tundra. An objective of these lessons is also to give each employee and contractor employee cross-cultural context before arriving on one of Agnico's sites.</p> |
| Training and Learning Management System   | <p>The Training Management System (TMS) as well as the Learning Management System (LMS) were initially implemented in 2013, in order to ensure better management of training activities and to monitor the proper management of the e-learning training. In response to the GN's request for increased information on training programs in 2014, both systems were modified in 2015. The systems are now capable of producing more detailed reports: by training program, by participation level, by graduation level and by hour.</p>   |
| Apprenticeship Training ('Apprenticeship Program' and 'Pre-Apprenticeship Program') | <p>The Apprenticeship Program combines on-the-job learning and in-school technical instruction to allow Inuit employees the opportunity to be educated and trained in the trade of their choice. By the end of the program, the apprentice is able to challenge their Certificate of Qualification (COQ) to become a Journeyperson and will also have the opportunity to challenge their Red Seal Exams. Currently, we offer seven (7) trades: cook, carpenter, millwright, electrician, heavy duty equipment technician, welder, and plumber.</p> <p>In 2015, two (2) employees completed their apprenticeship training within Agnico and in 2016, two (2) employees completed their apprenticeship training within the company. As of the end of 2017, there were 16 apprentices and pre-apprentices. There were no graduates for the 2017 year, but since the program takes time to complete, we are expecting to have three (3) graduates in the next two (2) years.</p>   |



| Program                     | Purpose / Description / Outcomes   |
|-----------------------------|--|
| Role Model Program          | <p>The Role Model program began in 2015 as a way to recognize exemplary Inuit employees. Since then, it has grown into a program to: recognize the hard work of individual Inuit employees; identify examples to inspire Inuit employees, community members, youth, etc. on how to achieve personal and/or work success; and serve as an incubator program to identify and support future Inuit leadership in the company.</p> <p>Role models are nominated and chosen by a committee annually. They can be nominated and chosen for a variety of reasons, including demonstrating good work-life balance/dedication to upgrading one's education/skills; positive attitude; exemplifying traditional Inuit values at home or at work; overcoming personal challenges; involvement in communities; demonstrating leadership skills, etc. A Role Model is recognized through posters and is also provided opportunities to represent the company and speak on behalf of their own experiences at various events (trade shows, symposiums, high school visits, etc.). Some Role Models are also enrolled in the Leadership Development Program in order to continue to foster management and supervisory skills. In 2017, there were 8 Role Models at Meadowbank and 4 Role Models at Meliadine.</p> |
| TASK Week                   | <p>The Trades Awareness Skills and Knowledge Week (TASK Week) was initiated in 2012 and has evolved in its structure through the years. TASK week is now a full week program that allows students to focus on one trade for the entire week. TASK week is also aligned with Agnico's IIBA commitment Schedule C, 16, by promoting the mine industry through career awareness and co-operating with educational authorities in the implementation of mining sector content in schools. TASK Week is a joint initiative between Jonah Amitnaaq Secondary School (JASS) and Agnico Eagle, and has active cooperation from other authorities and businesses each year.</p> <p>The 2017 TASK Week was held in Baker Lake from May 8th to May 12th and saw 58 senior high school students from JASS participate. Six (6) trades were featured: Mechanics, Welding, Electrical, Culinary Arts, Hairdressing, and Environmental Studies (which included Work Readiness training). In 2017 Agnico again brought trainers and apprentices/tradespeople from Meadowbank, including four of Meadowbank's Inuit apprentices/Red Seal, all from Baker Lake. Agnico believes that having students exposed to role models from their community has a positive impact on participants in the program.</p>           |
| Financial Literacy Training | <p>In collaboration with CPA Canada, in 2017 a Financial Literacy training course was delivered at Meadowbank mine site. The need for financial literacy training was identified through the Baker Lake Wellness Plan. The training overviews why financial literacy is important, savings vehicles, budgeting, and goal setting. The training was held twice at Meadowbank with 33 participants, including Inuit participants.</p> <p>Modified Financial Literacy trainings were also held in Baker Lake, both at a public community session as well as delivery to grades 7-9 &amp; 12 at the Jonah Amitnaaq Secondary School.</p> <p>Basic financial literacy training is also included in the Work Readiness program. Agnico has also had preliminary discussions with the Nunavut Housing Corporation to include financial literacy information on site, on subjects like rent scales or home savings programs. Agnico Eagle plans to continue offering opportunities at both mine sites to improve financial literacy in 2018 in collaboration with Sunlife Financial.</p>   |

## 4.1 Investment in school-based initiatives

### Predictions

#### MEADOWBANK

“Cumberland and KIA will address the need for a broader based project education and training initiatives [sic] to assist those who wish to develop skills that will position them for project employment. This education and training initiatives [sic] will also include an element to address motivational issues around getting children through high school. Such measures would be intended to contribute to encouraging a commitment to education on the part of youth.” (Cumberland Resources Ltd., 2006, p. 121)

#### MELIADINE

Positive impact on the funding of the education system. (Golder Associates, 2014, p. 1-C-48)

### Data & Trends

Chart 15 shows Agnico Eagle's investments in a range of school-based initiatives from 2010 to 2017. The MOU with the Department of Education expired in 2015. In September 2017, Agnico Eagle and the Government of Nunavut established a Memorandum of Understanding that identifies 10 priority areas for collaboration, including education.

Chart 15. Agnico Eagle investments in school-based initiatives

| Agnico Investments                            | 2010         | 2011          | 2012          | 2013          | 2014          | 2015         | 2016         | 2017         | Total           |
|---|--------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|-----------------|
| Scholarships                                  | \$14K        | \$14K         | \$14K         | \$14K         | \$14K         | \$14K        | \$14K        | \$30K        | \$128K          |
| MOU with GN Department of Education           |              | \$175K        | \$175K        | \$175K        | \$175K        |              |              |              | \$700K          |
| Mining Matters Science Program                |              | \$90K         | \$80K         | \$70K         | \$70K         |              |              |              | \$310K          |
| Kivalliq Science Educators Community Programs |              | \$15K         | \$15K         | \$25K         | \$25K         | \$25K        | \$25K        | \$25K        | \$155K          |
| <b>Total</b>                                  | <b>\$14K</b> | <b>\$294K</b> | <b>\$284K</b> | <b>\$284K</b> | <b>\$284K</b> | <b>\$39K</b> | <b>\$39K</b> | <b>\$55K</b> | <b>\$1,293K</b> |

(Agnico Eagle Mines, 2017)

### Interpretation

Up until 2014, Agnico Eagle has made total annual contributions of approximately \$284,000/year to a variety of school-based initiatives with the goals of: building interest in math, science and mining among school-aged children; motivating students with scholarships and career opportunities; and increasing educational outcomes overall in the Kivalliq region. Since the expiry of the MOU with the Department of Education in 2015, total contributions have been significantly lower (\$39,000), rising to \$55,000 in 2017 due to a doubling of scholarship funding. The Meliadine FEIS predicts a positive impact on the funding of the education system; further insights on whether this prediction is met should be available next year, with the implementation of the MOU between Agnico Eagle and the Government of Nunavut.

## 4.2 Secondary school graduation by region

### Predictions

#### MEADOWBANK

There are no specific predictions made in the Meadowbank FEIS regarding school attendance or graduation.

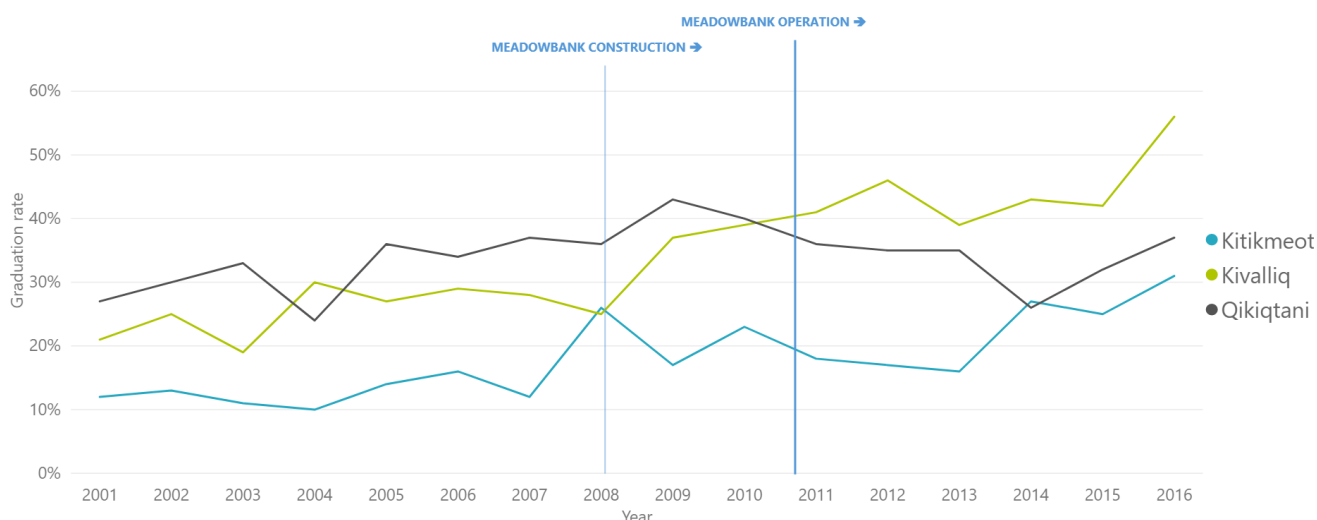
#### MELIADINE

Positive impact on educational achievement, dropout rates, school attendance. (Golder Associates, 2014, p. 1-C-48)

### Data & Trends

Chart 16 provides secondary school graduation rates by region between 1999 and 2016. Graduation rates by region and by Kivalliq community for 2017 were not available at the time of writing.

Chart 16. Secondary school graduation rate by region



(Department of Education, 2017)

### Interpretation

The graduation rate in Kivalliq region has fluctuated since the opening of the Meadowbank mine, with an overall upward trend that began in 2008. Graduation rates in Kivalliq region have been at all-time highs for the region, and consistently higher than those in the other two regions, since 2010.

A range of complex and interacting factors affect graduation rates, including the housing shortage, household food insecurity, health status, social problems such as high rates of teenage pregnancy and substance abuse (higher than the rest of Canada), and the legacy of the residential school system (Office of the Auditor General, 2013). Agnico Eagle's projects may have an impact on some of these factors, as described in subsequent sections, but attribution is a challenge due to the multiple and interacting factors.

Graduation rates are useful measures but only provide a partial picture of the state of education in the Kivalliq region. The education system in Nunavut faces a number of policy and operational challenges which may result in students graduating without achieving required competencies (CBC News, 2015; Rohner, 2014). These challenges can lead to students graduating from high school with inadequate literacy, numeracy and problem-solving skills, which can limit their employability and their access to training (e.g. inability to pass apprenticeship

entrance exams). At the time of writing, no public data on student K-12 performance in Nunavut was identified (i.e. performance relative to international standards or those of other jurisdictions).

### 4.3 Project training and education

#### Predictions

##### MEADOWBANK

“Cumberland and KIA will address the need for broader based project education and training initiatives to assist those who wish to develop skills that will position them for project employment.” (Cumberland Resources Ltd., 2006, p. 121)

##### MELIADINE

The Project’s “effects on education, training, and capacity in the RSA and LSA should be positive and long lasting.” (Golder Associates, 2014, p. 1-120)  
 “AEM will provide and promote Project-related education and training programs.” (Golder Associates, 2014, p. 1-120)

#### Data & Trends

Chart 17 provides an overview of Agnico Eagle’s investments in mine training and education programs.

*Chart 17. Agnico Eagle investments in mine training and education programs*

| Agnico Investments                              | 2010          | 2011         | 2012          | 2013            | 2014            | 2015            | 2016            | 2017          | Total           |
|---|---------------|--------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|
| Kivalliq Mine Training Society (cash & in-kind) |               |              |               | \$1,188K        | \$2,267K        | \$1,937K        | \$2,339K        |               | \$7,731K        |
| Arviat Diamond Drillers & Welders Program       | \$250K        | \$60K        | \$190K        | \$190K          | \$190K          | \$190K          | \$190K          | \$195K        | \$1,455K        |
| <b>Total</b>                                    | <b>\$250K</b> | <b>\$60K</b> | <b>\$190K</b> | <b>\$1,378K</b> | <b>\$2,457K</b> | <b>\$2,127K</b> | <b>\$2,529K</b> | <b>\$195K</b> | <b>\$9,186K</b> |

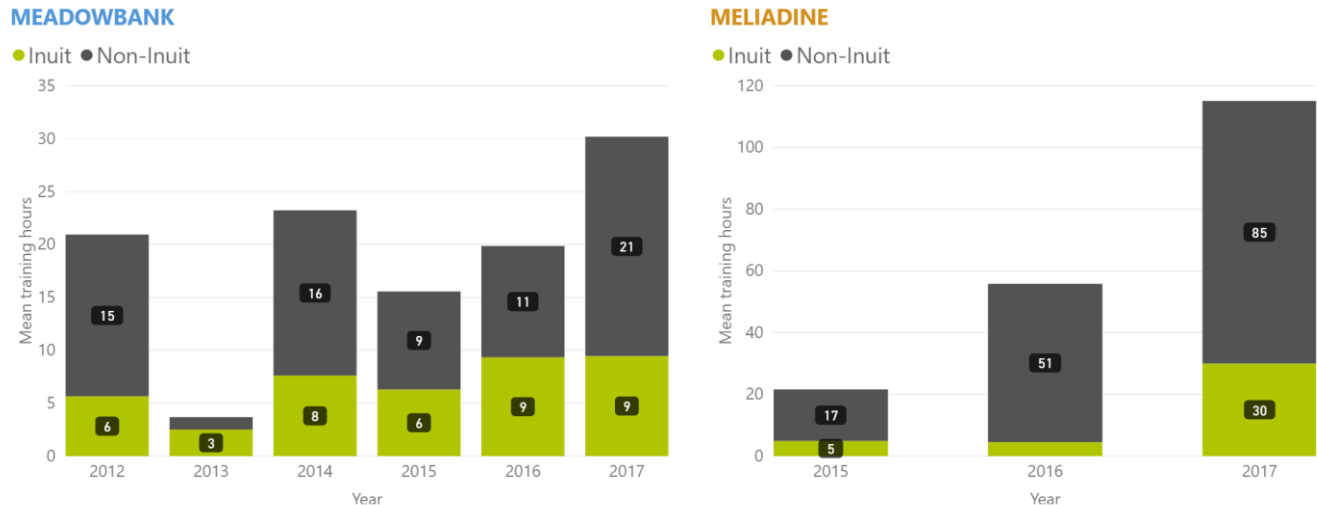
(Agnico Eagle Mines, 2017)

The Kivalliq Mine Training Society (KMTS) has provided support for the development and delivery of community-based Work Readiness to help prepare Inuit for employment opportunities. The KMTS has also supported the Arviat Drillers program, as well as some interesting community-based initiatives, such as the Coping with FIFO (Fly-in-fly-out) program and Community Net-work program, which have provided support to communities to help employees and their families cope with the challenges that come with employment. As of 2017, KMTS lost its federal funding and the future of the organization is currently uncertain.

Chart 18 shows average mandatory training hours provided to Inuit and non-Inuit employees. This is calculated by dividing the total number of training hours by the number of FTE employees. Mandatory training includes:

- **Health and Safety training:** this includes mandatory training related to compliance with the Nunavut Mine Act, as well as training that is mandated according to Agnico Eagle Health and Safety policies. Many of these training sessions are offered via e-learning prior to the employee’s arrival on site. Other health and safety training relevant to an individual’s job is also provided on site.
- **General training:** this consists of training activities required at a departmental level and covers many employees working in different departments. General training includes training on light duty equipment as well as enterprise software systems and cross-cultural training.

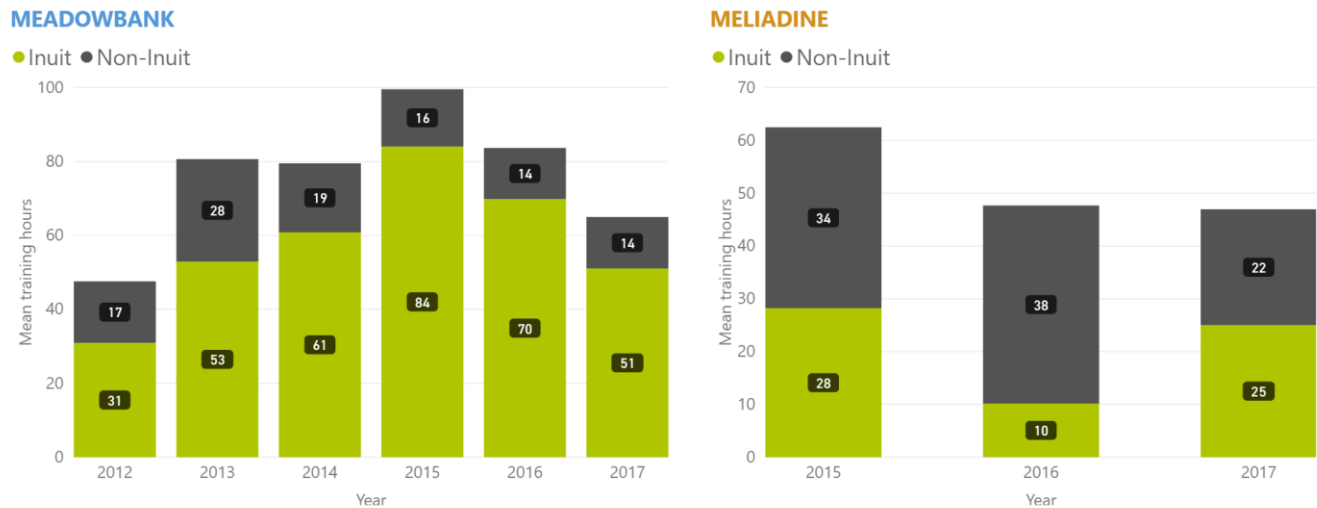
Chart 18. Average mandatory training hours provided to Agnico Eagle Inuit employees



(Agnico Eagle Mines, 2017)

Chart 19 shows the average specific training hours provided to Inuit and non-Inuit employees. Specific training is focused on developing individual competencies related to a specific position. This training qualifies individual workers for promotion following their progression through the Career Path. These training programs are provided through a combination of in-classroom (theory) learning as well as practical (one-on-one) learning.

Chart 19. Average specific training hours provided to Agnico Eagle Inuit employees



(Agnico Eagle Mines, 2017)

Chart 20 shows the participants in and/or graduates of a range of career and skills programs supported by Agnico Eagle, as well the Haul Truck Drivers Program, run at Meadowbank.

Chart 20. Participation in career and skills programs

#### AGNICO SUPPORTED PROGRAMMING

| program  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Total |
|--|------|------|------|------|------|------|------|------|-------|
| Kivalliq community career fairs (not counted)              |      |      |      |      |      |      |      |      | 0     |
| Baker Lake, Arviat & Chesterfield TASK week (participants) |      |      | 60   | 65   |      | 60   | 70   | 58   | 313   |
| Arviat Diamond Drillers & Welders Program (graduates)      | 12   | 24   | 12   | 24   | 18   | 18   | 15   | 6    | 129   |

#### MEADOWBANK PROGRAMMING

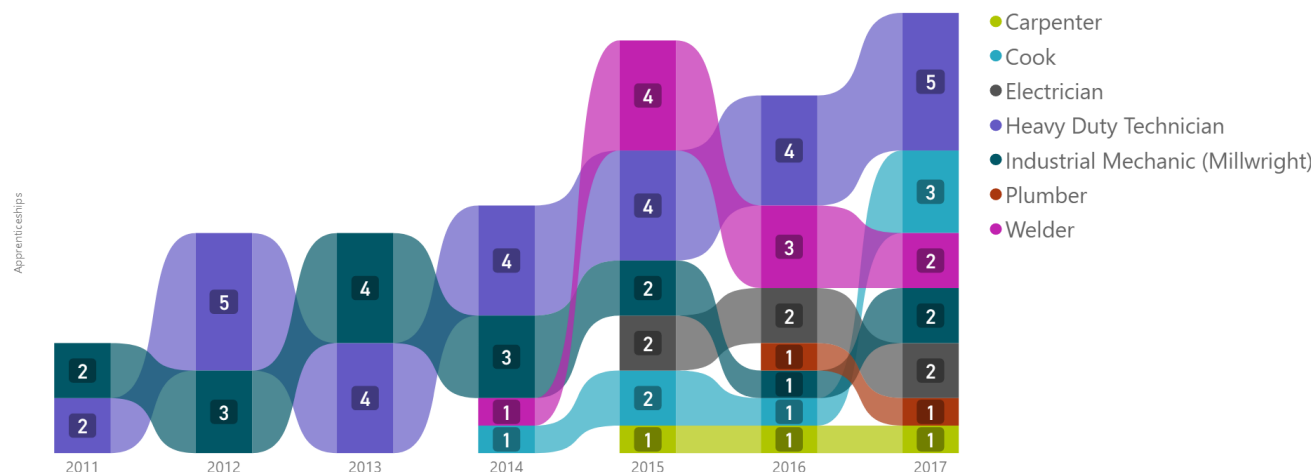
| program                                   | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Total |
|---|------|------|------|------|------|------|------|------|-------|
| Haul truck drivers program (participants) | 33   | 55   | 15   | 19   | 33   | 28   | 34   | 26   | 243   |

(Agnico Eagle Mines, 2017)

Chart 21 shows the number of Inuit employees in pre-apprentice or apprentice roles at Meadowbank, categorized by type of apprenticeship (heavy duty technician, industrial mechanic, and others). Apprenticeship positions are expected to begin at Meliadine in 2018.

Chart 21. Meadowbank pre-apprenticeship and apprenticeship participation by type

#### MEADOWBANK



(Agnico Eagle Mines, 2017)

### Interpretation

Agnico Eagle's financial investments in externally-delivered training programs have dropped substantially in 2017 due to the KMTS' loss of federal funding, and subsequently their loss of funding from Agnico Eagle.

Mandatory training hours (detailed in Chart 18) remain fairly stable at Meadowbank (9 hours per Inuit FTE), and have increased substantially in 2017 at Meliadine. Due to the requirement for greater mandatory training for new employees, this large increase is likely due to the influx of new employees at Meliadine. Similarly, the relatively flat numbers at Meadowbank are likely indicative of steady rates of turnover.

Average specific training hours (detailed in Chart 19) have seen a decline at Meadowbank over the past two years from a high of 84 hours / Inuit FTE in 2015, down to 51 hours in 2017. Average specific training hours provided to

Inuit employees at Meliadine have fluctuated from 28 in 2015 to 10 in 2016 and up again to 25 in 2017. Annual fluctuations in the number of specific training hours largely reflect changing demand at Meadowbank for additional positions for which specific training is provided.

Participation in Agnico Eagle-supported career programming has also fluctuated. The Haul Truck Drivers Program at Meadowbank has seen a decline from 34 participants in 2016 to 26 participants in 2017. Participants in TASK week and graduates from the Arviat Diamond Drillers and Welders Program remained steady until the past year, declining by 12 and 11, respectively. These fluctuations could be explained by the success of each program as well as changing demand for specific skills at Meadowbank.

The number of Inuit apprenticeships increased by three people in 2017 (from 13 to 16). 2015 saw the first two land claim beneficiaries graduate from Agnico Eagle’s apprenticeship program, with one receiving a certificate as a millwright and the other as a welder. An additional two Inuit employees completed their apprenticeships in 2016, both graduating as heavy-duty equipment technicians. There were no new graduates in 2017. In addition to the number of Inuit participants, the apprenticeship program has seen growth over the past 4 years in diversity of occupations, moving from two offered programs in 2013 to seven in 2017.

4.4 Project employment by skill level

Predictions

MEADOWBANK

There are no specific predictions in the Cumberland FEIS regarding the skill level of Inuit employees at Meadowbank.

MELIADINE

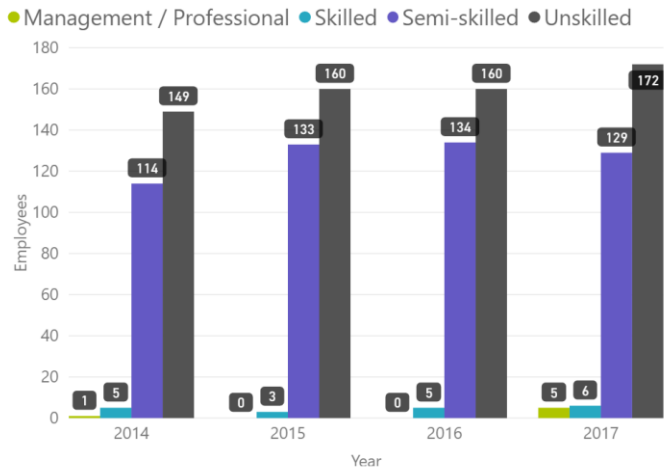
The Project will have a “positive impact on the skill levels of local labour force.” (Golder Associates, 2014, p. 1-C-48)

Data & Trends

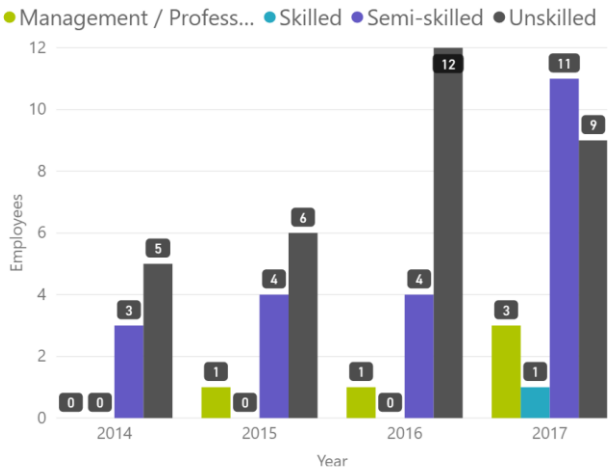
Chart 22 shows the number of Inuit employees at each skill level between 2014 and 2017. Note that Agnico Eagle changed how various skill levels are classified in 2013 and 2014. Due to these changes, year over year trends of Inuit employment by skill level cannot be drawn pre-2014.

Chart 22. Project Agnico Eagle Inuit employees by skill-level

MEADOWBANK



MELIADINE



(Agnico Eagle Mines, 2017)

## **Interpretation**

Prior to 2017, the data had not indicated significant changes in the promotion of Inuit workers up the skills ladder or the hiring of Inuit into higher skill categories (e.g. professional or management job classifications), despite individual success stories and large investments in training and programming. However, 2017 has seen a substantial increase in Inuit employees at higher levels, with the total number of skilled, management and professional employees rising from six in 2016 up to 15 in 2017. While still relatively few – 95% of Inuit employees at the projects are employed in unskilled and semi-skilled positions – this does represent a positive step.



# VSEC 5: Culture and Traditional Lifestyle

## IMPACT / GOAL STATEMENT

Respect and support for Inuit culture, language and traditional lifestyle in the workplace and in communities

## OVERARCHING FEIS PREDICTIONS

**Meadowbank:** “There is potential for both negative and positive impacts, of any magnitude, on traditional ways of life, which could be of high significance. Any net impact, since it would be an impact of cultural change, would be long term and continue beyond the life of the project. The impact would be experienced primarily in Baker Lake.” (Cumberland Resources Ltd., 2006, p. 123)

### Meliadine:

- The “Project may contribute to weakening of traditional culture.” (Golder Associates, 2014, p. 1-C-46)
- “The Project may result in a reduction of cohesion due to higher levels of inequality in the family or community.” (Golder Associates, 2014, 1-C-50)

## TRENDS & INTERPRETATIONS

| Metric   | Meadowbank trends |          |           | Meliadine trends |           | Interpretation   |
|--|-------------------|----------|-----------|------------------|-----------|--|
|  | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |  |
| 5.1 Perceptions of culture and traditional lifestyle                                     |                   |          |           |                  |           |  |
| Self-reported effect of project on culture and traditional activities                    | N/A               | N/A      | N/A       | N/A              | N/A       | Data currently unavailable.  |
| 5.2 Culture and traditional lifestyle  |                   |          |           |                  |           |  |
| Proportion of total population identifying Inuktitut as their mother tongue by community | →                 | ↓        | N/A       | ↓                | N/A       | The proportion of the population identifying Inuktitut as their mother tongue has remained relatively stable in the smaller Kivalliq communities from 2006 to 2016, but has declined in Rankin Inlet, Baker Lake, and Chesterfield Inlet (by 10 to 18 percentage points) over this period.   |
| Use of AWAR by community   | N/A               | ↑        | ↓         | N/A              | N/A       | The Agnico Eagle-owned and operated all-weather access road (AWAR) that connects Baker Lake to the Meadowbank mine is accessible to the communities for hunting purposes. Community members accessed the road 2366 times in 2015, 1874 times in 2016, and 1716 times in 2017.  |
| 5.3 Country food use at project  |                   |          |           |                  |           |  |
| Country food kitchen usage   | N/A               | →        | →         | N/A              | N/A       | Meadowbank has maintained its practice of offering meals including char, muskox, and caribou (approximately 4,500 meals/year, or one per month per employee, since 2011). At Meliadine, Agnico Eagle offered about 21 meals with Arctic char this past year, twice on a five-week rotational schedule, which was consumed by approximately 50% of the staff.   |
| Country food night events  | N/A               | →        | ↓         | N/A              | N/A       | The number of country food events held at Meadowbank decreased from 14 in 2016 to 4 in 2017 – largely due to a lack of country food availability. Turnout for these events has averaged 36 attendees per event in 2016 and 43 in 2017. Agnico Eagle also offered country food at an event as a part of Pakallak Tyme, a cultural festival held in Rankin Inlet to celebrate the end of the Arctic winter and the coming of spring. |

## Understanding the trends & interpretations table

| Time horizon  | Direction              | Value  |
|---|------------------------|--|
| <b>Pre-dev:</b> trend prior to the operation / construction phase of the project (2010 for Meadowbank; 2017 for Meliadine)  | ↑ Increasing           | ■ <b>Positive:</b> change in indicator towards the achievement of the desired impact or goal                   |
| <b>Post-dev:</b> trend from the onset of operation of Meadowbank (2010). As 2017 is the first year of major construction at Meliadine, post-development trends are not considered for the current reporting year. | ↓ Decreasing           | ■ <b>Negative:</b> change in indicator away from the achievement of the desired impact or goal                 |
| <b>Last year:</b> movement from 2016 to 2017  | → Remaining stable     | ■ <b>Neutral:</b> no observed change in indicator with regard to the achievement of the desired impact or goal |
|   | / No discernable trend |  |
|   | N/A Not applicable     |  |

## Existing Management and Mitigation

To encourage respect and support for Inuit culture at Meadowbank and Meliadine, Agnico Eagle provides cross cultural training, access to traditional foods, and documentation and services in Inuktitut as outlined in Table 5 below.

*Table 5: Agnico Eagle Cultural and Traditional Lifestyle Management and Mitigation Initiatives*

| Program                         | Purpose / Description / Outcomes  |
|---------------------------------|---|
| Cross Cultural Training Program | <p>Implemented in 2010 at Meadowbank, the Cross Cultural Training Program has been provided to numerous employees. It is a 5 hour in-class training course. This course allows employees from different cultures and backgrounds to understand each other's culture in order to improve understanding and communication at the workplace. The program was revisited with the assistance of the Nunavut Literacy Council in 2013, and a revised program was initiated in 2014. This program is mandatory for all Agnico Eagle employees and contractors who will be on site for six months or more.</p> <p>Cross-cultural training began at Meliadine in 2017. During 2017, Meliadine had 6 sessions and is planning on providing the training more often as the workforce stabilizes during the transition from Construction to Operations.</p>   |
| Access to Country Food          | <p>As described in section 5.3 below, Meadowbank serves country food meals (i.e. char or caribou) as part of the standard menu served by the mine's kitchen, offered once weekly. In addition, employees can bring their own country foods to the mine site and use a separate Inuit kitchen to prepare and share these foods.</p> <p>In 2016, the Meadowbank Human Resources department led by the HR Inuit Agent began holding 'Country Food Nights'. Country food was purchased and provided by Agnico, and employees volunteered to cook dinner for others in the Country Food Kitchen. In 2016, there were 14 Country Food Nights, including an event where elders from the community were invited to attend. It was estimated that approximately 500 people participated in the nights over the course of the year.</p> <p>In 2017, the Human Resources department held 4 Country Food Nights. The number of events held was less than in 2016 because of a lack of human resources (the mine had one HR Inuit Agent for part of the year), but also because of a lack of country food availability. From approximately September until the end of the year the Human Resources department could not secure country food to be able to hold the events.</p> <p>In May 2017, the Human Resources department started tracking the use of the country food kitchen, which included the attendance generated by the Country Food nights. In 2017, there were approximately 170 people who used the Country Food kitchen, but probably more since there was a part of the year that was not tracked.</p> <p>The Meliadine site also serves country food as part of its standard menu (twice on a 5 week rotational menu). Currently there is no country food kitchen at the Meliadine site although there is planned to be one in Operations. In the meantime, country food is incorporated when possible in on-site events, such as at the Pakallak Tyme spring festival.</p> |
| Inuktitut Use                   | <p>Agnico Eagle makes efforts to facilitate the use of the Inuktitut language at their sites by providing the following documentation and services in Inuktitut:</p> <ul style="list-style-type: none"> <li>• Policies, employee handbooks, and other human resource related documents</li> <li>• Recruitment materials (job postings)</li> <li>• Online mandatory training materials that focus on health and safety</li> <li>• Key directional and safety signage posted in and around the mine site</li> <li>• Bilingual human resource counsellors</li> <li>• Bilingual employees based in communities (Community Coordinators) that support recruitment, retention, and other communications</li> </ul>  |

| Program         | Purpose / Description / Outcomes  |
|-----------------|---|
|                 | <ul style="list-style-type: none"> <li>Religious events (services in Inuktitut or special events at site)</li> </ul> <p>Note that the <i>Nunavut Mine Act</i> requires, for safety reasons, that all work communications during operating hours use English as the common language.</p> <p>As per the IIBAs, Agnico must provide 'Inuktitut as a second language' training to selected staff. As part of the new Leadership Development Program (LDP) at Meadowbank, a 'Language Passport' was developed. The pocket small booklet contains approximately 175 words and phrases in Inuktitut (roman orthography and phonetic), English and French. The words and phrases include greetings, workplace terms, environmental terms, social phrases, and common words about people, clothing, objects and body parts. The booklet is given out as part of the LDP to help supervisors better communicate with their employees both on and off the job, although the booklet will be made more widely available in the future. The booklet was developed for the program by the Nunavut Literacy Council.</p> |
| Cultural Events | In order to support cross-cultural understanding and celebration, Meadowbank and Meliadine hold various cultural events on-site, such as Nunavut Day, Pakallak Tyme, and square dances.   |

## 5.1 Perceptions of culture and traditional lifestyle

### Predictions

#### MEADOWBANK

There are no predictions in the Meadowbank FEIS specifically related to impacts on the perceptions of culture and traditional lifestyle.

#### MELIADINE

"Perceptions of [the Project's] effects may lead to mental stress and changes in behaviour (i.e., diet)." (Golder Associates, 2014, p. 1-C-45)

### Data & Trends

As part of the revised SEMP, Agnico Eagle has committed to the development of an Inuit employee survey to gather data and insights on the perceptions of the projects' impacts on culture and traditional lifestyle, along with other topics. This survey was not administered during the 2017 reporting year.

## 5.2 Culture and traditional lifestyle

### Predictions

#### MEADOWBANK

"The project will not significantly restrict access to or productivity of lands used for traditional activity." (Cumberland Resources Ltd., 2006, p. 122)

#### MELIADINE

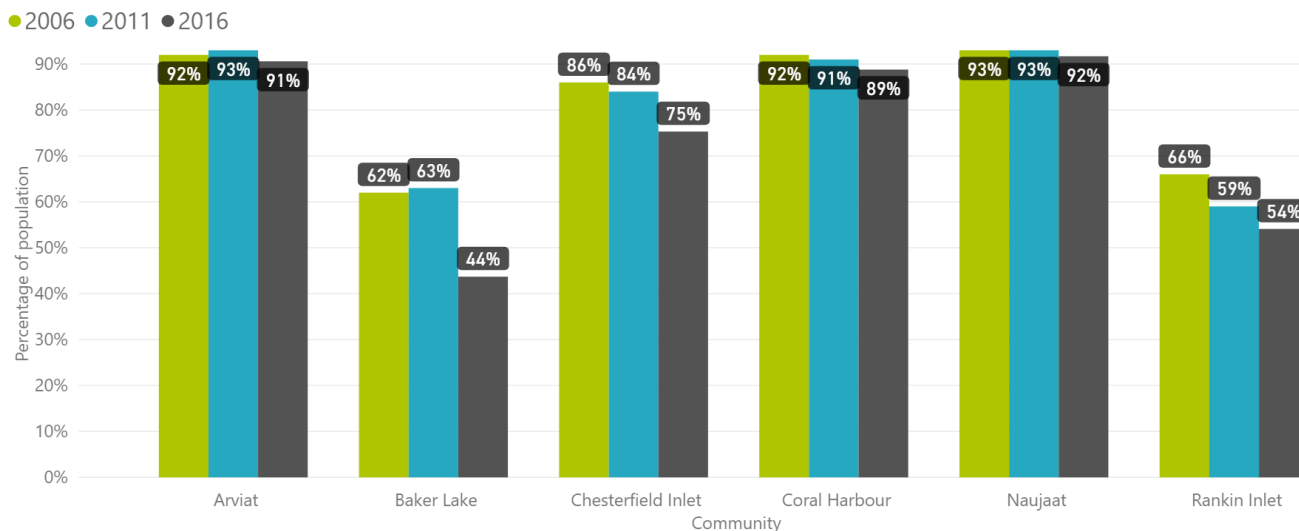
"The construction of the All-weather Access Road (AWAR) may increase access to areas outside of Rankin Inlet by local residents." (Golder Associates, 2014, p. 1-C-52)

"The Project may have a negative impact on the use of culturally important areas." (Golder Associates, 2014, p. 1-C-46)

### Data & Trends

Chart 23. Proportion of total population identifying Inuktitut as their mother tongue by community shows the proportion of the total community population that identifies Inuktitut as their Mother Tongue, by Kivalliq community.

Chart 23. Proportion of total population identifying Inuktitut as their mother tongue by community



(Statistics Canada, 2016b; Statistics Canada, 2011b; Statistics Canada, 2006b)

Beginning in 2014, Agnico Eagle has asked its Inuit employees what languages they speak. In 2014, of the 269 Inuit employees, 188 (70%) spoke Inuktitut. In 2015, of the 302 employees, 240 (79%) spoke Inuktitut. In 2016, of the 302 employees, 252 (83%) spoke Inuktitut.

The Agnico Eagle-owned and operated all-weather access road (AWAR) that connects Baker Lake to the Meadowbank mine is accessible to the communities for hunting purposes. Community members accessed the road 2366 times in 2015, 1874 times in 2016, and 1716 times in 2017. Data is not yet available on the community use of the AWAR that connects Rankin Inlet to Meliadine.

## Interpretation

Chart 23 demonstrates that the proportion of the population identifying Inuktitut as their mother tongue has remained relatively stable in the smaller Kivalliq communities from 2006 to 2016, but has declined in Rankin Inlet, Baker Lake, and Chesterfield Inlet (by 10 to 18 percentage points) over this period. The decline in Baker Lake is perhaps the most notable, with a decline of 19 percentage points over the past 5-year period.

Agnico Eagle has made efforts to facilitate use of Inuktitut at Meadowbank by translating policies and training materials, offering a number of services in Inuktitut and facilitating social and recreational programs at Meadowbank that encourage and support the Inuktitut language and culture. While the mine offers some services and documentation in Inuktitut, it also enforces the use of English as the standard language for communication in the workplace for safety reasons.

Meadowbank controls traffic on the all-weather access road (AWAR) connecting Baker Lake to the Meadowbank mine road, but it is accessible to community members to provide easier access to hunting trails and participate in traditional activities by ATV. Road users must abide by AWAR rules including following the speed limit, giving priority to heavy equipment, leaving the road after kilometre 85 and not hunting within one kilometre of the road for safety reasons. Hunters may approach the site up to one kilometre. Snowmobile crossings have also been established in consultation with the Baker Lake Hunters and Trappers Organization. There has been a decrease in the number of times the road was accessed since 2015, although there are a number of factors that could explain this trend (e.g. diversion of hunting patterns to other regions).

### 5.3 Country food use at project

#### Predictions

##### MEADOWBANK

There are no predictions in the Meadowbank FEIS specifically related to country food use at the mine site.

##### MELIADINE

There are no predictions in the Meliadine FEIS specifically related to country food use at the mine site.

#### Data & Trends

Agnico Eagle estimates meals served featuring country food (arctic char and caribou) at approximately 4,500 per year at Meadowbank, and 4,200 per year at Meliadine. Agnico Eagle also holds country food events at its projects, including 14 events at Meadowbank in 2016 and 4 and 1 events at Meadowbank and Meliadine, respectively, in 2017.

#### Interpretation

The number of meals served featuring country food has remained steady at Meadowbank since 2011; this number represents one serving of country food per month to all on-site staff. The total number of Inuit employees at the site has also remained relatively steady since it began production in 2010 (approximately 375). The number of country food events held at Meadowbank decreased from 14 in 2016 to 4 in 2017 due to a lack of availability of country food. Use of the country food kitchen – including both independent use and country food events –has averaged 36 attendees per event in 2016 and 43 attendees in 2017.

At Meliadine, Agnico Eagle offered about 21 meals with Arctic char this past year, twice on a five-week rotational schedule, which was consumed by approximately 50% of the staff. Agnico Eagle also offered country food at an on-site Pakallak Tyme event, held around the same time as a cultural festival of the same name held in Rankin Inlet to celebrate the end of the Arctic winter and the coming of spring.

No data or information was available on baseline levels of country food consumption for Inuit workers prior to employment, or on consumption of country food while off rotation.

# VSEC 6: Population Demographics

## IMPACT / GOAL STATEMENT

Understand what changes are occurring in Kivalliq migration, if any

## OVERARCHING FEIS PREDICTIONS

**Meadowbank:** “The potential impacts of migration are complex and are likely to have both positive and negative components, but of low magnitude. Any effects of migration are long term but are likely to be low significance. It is not likely that migration to any other community than Baker Lake would be significant.” (Cumberland Resources Ltd., 2006, p. 126)

**Meliadine:** “The cumulative effects of the Meliadine, Kiggavik, and Meadowbank Projects on in-migration might be less than the effects of each project individually considering the dampening effects on the volume of in-migration caused by the variation in the current progress of each project, presumed interdependence of certain projects, and resulting estimated labour force growth.” (Golder Associates, 2014, p. 1-147)

“Migration impacts were projected only in Rankin Inlet, the closest community to the mine and the only one connected to the Project by road.” (Golder Associates, 2014, p. 1-110)

## TRENDS & INTERPRETATIONS

| Metric  | Meadowbank trends |          |           | Meliadine trends |           | Interpretation   |
|---|-------------------|----------|-----------|------------------|-----------|--|
|   | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |  |
| 6.1 Employee migration  |                   |          |           |                  |           |  |
| Project Agnico Eagle Inuit employees residing outside Nunavut |                   |          |           |                  |           | There has been a gradual increase in the number of Inuit Meadowbank workers who now reside in outside of Nunavut, from 7 in 2011 to 21 in 2015 (or 7% of the Inuit workforce), though this number has remained stable in 2016 and 2017. The FEIS predicts both “positive and negative components” of migration but does not refer to migration out of Nunavut.   |
| Total Inuit employees   | N/A               | ↑        | →         | N/A              | ↑         |  |
| Proportion of Inuit to Non-Inuit employees                    | N/A               | ↑        | →         | N/A              | ↑         |  |
| 6.2 Population estimates in Kivalliq communities              |                   |          |           |                  |           |  |
| Population estimates of Kivalliq communities                  |                   |          |           |                  |           | Yearly population estimates do not indicate an increase in the population growth rate of Baker Lake or of other communities with significant Meadowbank employment (Arviat, Rankin Inlet) since the mine opened, or relative to other communities in the region. If other factors (births and deaths) are assumed constant, the population data does not suggest significant migration to Baker Lake (or other communities with high Meadowbank employment). |
| Estimates in communities                                      | ↑                 | ↑        | ↑         | ↑                | ↑         |  |
| Annual percent change   | →                 | →        | →         | →                | →         |  |

## Understanding the trends & interpretations table

| Time horizon  | Direction              | Value  |
|---|------------------------|--|
| <b>Pre-dev:</b> trend prior to the operation / construction phase of the project (2010 for Meadowbank; 2017 for Meliadine)  | ↑ Increasing           | ■ <b>Positive:</b> change in indicator towards the achievement of the desired impact or goal                   |
| <b>Post-dev:</b> trend from the onset of operation of Meadowbank (2010). As 2017 is the first year of major construction at Meliadine, post-development trends are not considered for the current reporting year. | ↓ Decreasing           | ■ <b>Negative:</b> change in indicator away from the achievement of the desired impact or goal                 |
| <b>Last year:</b> movement from 2016 to 2017  | → Remaining stable     | ■ <b>Neutral:</b> no observed change in indicator with regard to the achievement of the desired impact or goal |
|   | / No discernable trend |  |
|   | N/A Not applicable     |  |

# Existing Management and Mitigation

No specific programs are in place to manage or mitigate migration in the Kivalliq region.

## 6.1 Employee migration

### Predictions

#### MEADOWBANK

The Meadowbank FEIS suggests that in-migration of Southerners to Baker Lake would be the primary concern.

#### MELIADINE

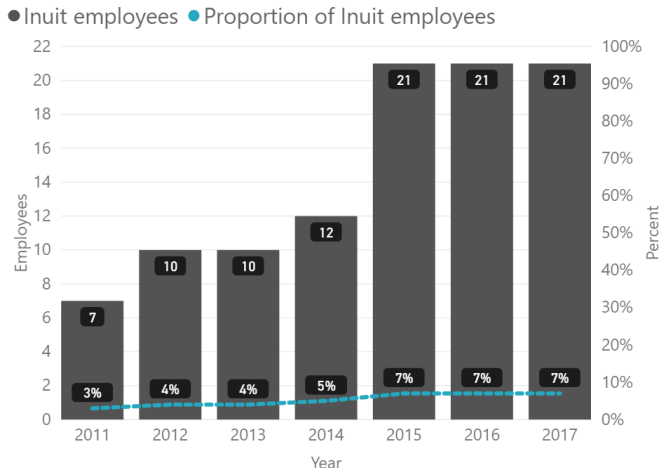
“It is likely that much of the potential in-migration happens when members of Kivalliq resident families return at home in the expectation of employment.” (Golder Associates, 2014, p. 1-109)  
“In-migration could also happen by out-of-area workers, especially during the operations phase.” (Golder Associates, 2014, p. 1-110)

### Data & Trends

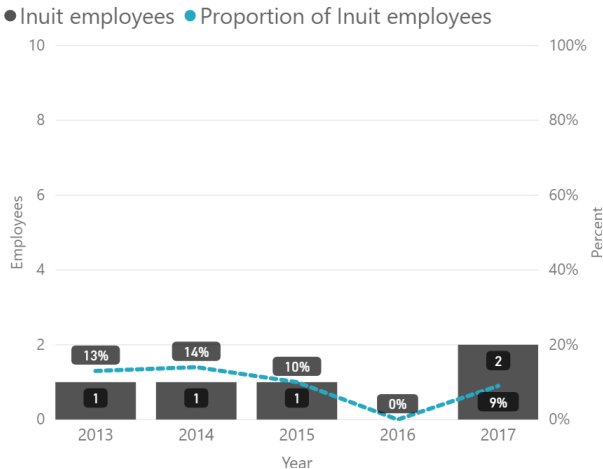
Chart 24 shows the number and proportion of Agnico Eagle Inuit workers who are currently residing outside Nunavut.

Chart 24. Project Agnico Eagle Inuit employees residing outside Nunavut

#### MEADOWBANK



#### MELIADINE



(Agnico Eagle Mines, 2017)

### Interpretation

2010 to 2013 saw a gradual increase in the number of Meadowbank Inuit workers who reside in outside the territory. In 2015, this number rose more substantially than in previous years, from 12 (4% of Inuit workforce) to 21 (7% of Inuit workforce). This number has remained constant in 2016 and 2017. Other migration data (e.g. Inuit workforce moving to/from Baker Lake following employment) is not available.

Meliadine’s Inuit workforce residing outside of Nunavut ranged from 0 to 1 individuals from 2013 to 2016, and rose to 2 individuals in 2017 (9% of Inuit workforce). Given the relatively few Inuit employees at Meliadine, small fluctuations in the numbers can have large impacts on the percentage.

Employment at Agnico Eagle’s projects provides Inuit workers with income and skills that may facilitate moving out of the territory. Other factors unrelated to the mines, such as the housing shortage in Nunavut, lower cost of living, and better educational and job opportunities in the provinces, may also contribute to out-migration.

## 6.2 Population estimates in Kivalliq communities

### Predictions

#### MEADOWBANK

The Meadowbank FEIS states that “it is not likely that migration to any other community than Baker Lake would be significant”, but does not provide any specific predictions on changes to populations in Kivalliq communities.

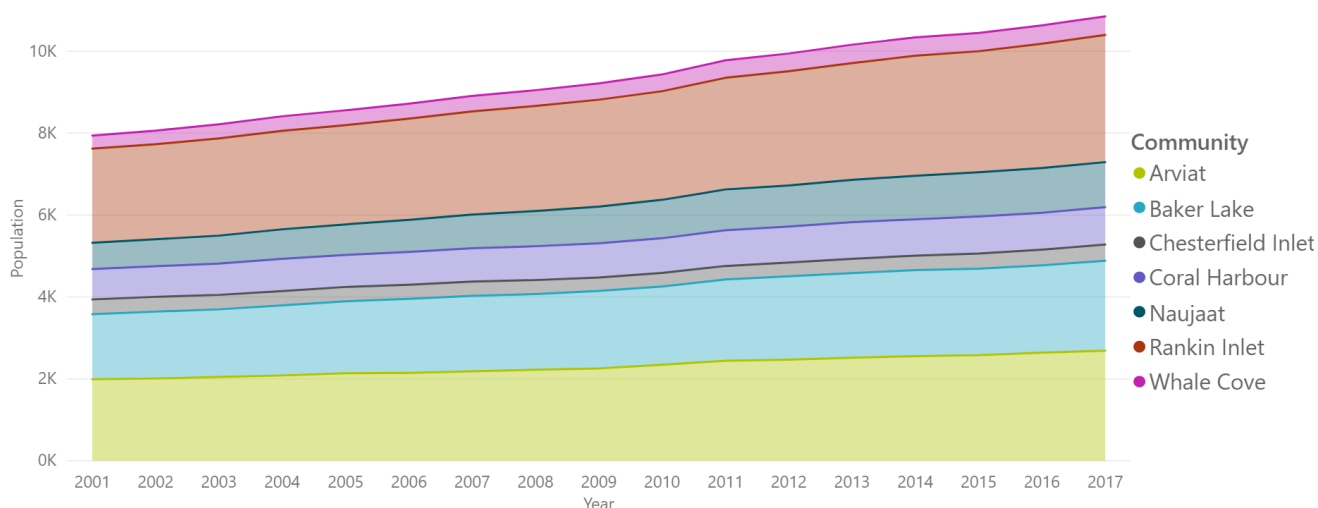
#### MELIADINE

“A large majority of in-migration is expected to occur in Rankin Inlet where the supply of public services could accommodate for increased demand.” (Cumberland Resources Ltd., 2014, p. 1-125)

### Data & Trends

Chart 25 shows population estimates for Kivalliq communities.

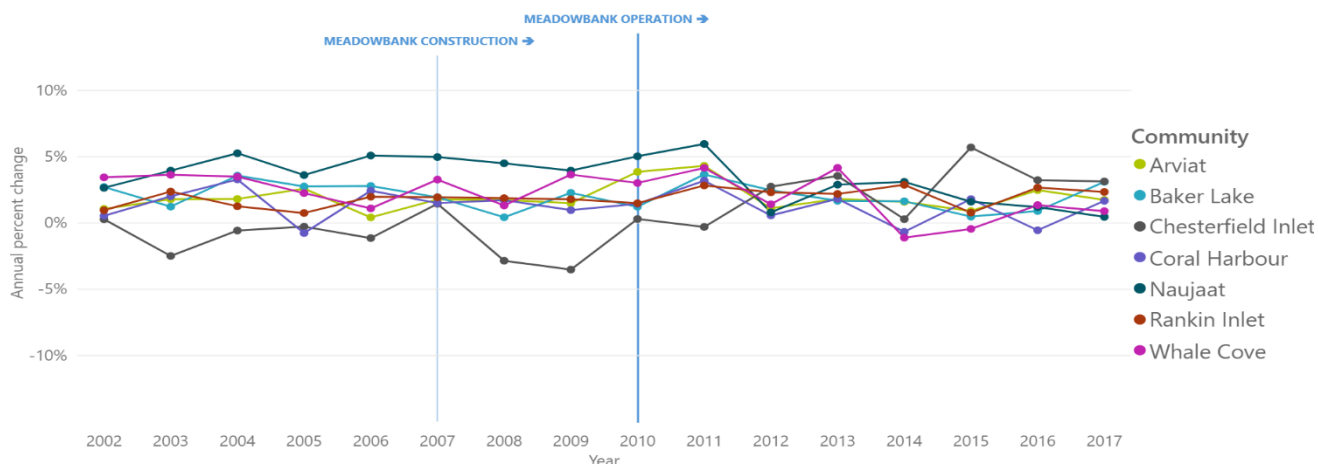
Chart 25. Population estimates of Kivalliq communities



(Statistics Canada, 2018)

Chart 26 shows the annual (year over year) percent change in the population estimates for Kivalliq communities.

Chart 26. Annual percent change in population estimates of Kivalliq communities



(Statistics Canada, 2018)



## Interpretation

Population change results from the interaction of three variables: births, deaths, and migration. Migration can be for economic or other reasons. The populations of all Kivalliq communities have increased at a relatively steady rate since 2006. The data does not indicate an increase in the population growth rate of Baker Lake or of other communities with significant Agnico employment (Arviat, Rankin Inlet) since Meadowbank opened, or relative to other communities in the region. If other factors are assumed constant, the population data does not indicate any significant migration to Kivalliq communities with high Agnico employment.

The proportion of the Kivalliq population that are Inuit have remained relatively stable over this time (84% in 2016, the latest year for which data is available) (Nunavut Bureau of Statistics, 2016).

At this time, only Agnico Eagle's data on employees residing in outside of Nunavut suggest a possible impact of Agnico Eagle's projects on migration out of the Kivalliq. Without information on how many of these employees now residing outside of the territories originally resided in Kivalliq communities (and which ones), it is not possible to determine the significance of the change.

# VSEC 7: Individual and Community Wellness

## IMPACT / GOAL STATEMENT

Contribute and collaborate to enhance individual and community wellness

## OVERARCHING FEIS PREDICTIONS

**Meadowbank:** Potential impacts on individual and community wellness are complex, far reaching, and given human nature, difficult to predict with certainty. Individual and community wellness is intimately associated with potential impacts on traditional ways of life as discussed above. In addition, however, individual decisions on the use of increased income, household management in relation to rotational employment, migration, public health and safety, disturbance particularly during the construction phase, and Cumberland's support for community initiatives are being negotiated in the IIBA are [sic] the other drivers that have the potential to effect [sic] individual and community wellness." (Cumberland Resources Ltd., 2006, p. 123)

**Meliadine:** The "Project may contribute to weakening of traditional culture." (Golder Associates, 2014, p. 1-C-46) "The Project may result in a reduction of cohesion due to higher levels of inequality in the family or community." (Golder Associates, 2014, 1-C-50)

## TRENDS & INTERPRETATIONS

| Metric  | Meadowbank trends |          |           | Meliadine trends |           | Interpretation   |
|---|-------------------|----------|-----------|------------------|-----------|--|
|   | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |  |
| 7.1 Agnico Eagle Programs   |                   |          |           |                  |           |  |
| Agnico Eagle wellness programs offerings & utilization by project employees                   | N/A               | /        | /         | N/A              | /         | Meadowbank and Meliadine have a number of ongoing programs that offer readiness, counselling and support services to employees and their families. Due to difficulties in assessing participation in counselling programs (in part due to privacy issues), no trends can be drawn on employee targeted program utilization. Program utilization offered to communities has increased over the past two years – largely due to the new Mandatory Training (Site Readiness) and Work Readiness programs. |
| Agnico Eagle wellness programs offerings & utilization by community members                   | N/A               | ↑        | ↑         | N/A              | ↑         |  |
| 7.2 Perceptions of health & wellness  |                   |          |           |                  |           |  |
| Self-reported effect of project on health & wellness  | N/A               | N/A      | N/A       | N/A              | N/A       | Data for this metric is currently unavailable.   |
| 7.3 Criminal violations   |                   |          |           |                  |           |  |
| Criminal violations per hundred people by Kivalliq community                                  | ↑                 | →        | N/A       | ↑                | N/A       | Total criminal violation rates in Baker Lake and Rankin Inlet reached historic high levels in 2011 and 2012, following the opening of Meadowbank. Recent data (2017) indicates a continuing downward trend (since 2012) in criminal violations in Baker Lake, along with those in Arviat. However, Rankin Inlet and Chesterfield Inlet have seen sharp rises in criminal violations over the past one to two years.  |
| Criminal violations per hundred people by type (Baker Lake, Rankin Inlet, Chesterfield Inlet) |                   |          |           |                  |           |  |
| Baker Lake  | →                 | ↓        | ↓         | →                | ↓         |  |
| Rankin Inlet  | →                 | ↓        | ↑         | →                | ↑         |  |
| Chesterfield Inlet  | ↑                 | →        | ↑         | ↑                | ↑         |  |
| 7.4 Health centre visits  |                   |          |           |                  |           |  |
| Health centre/clinic visits by Kivalliq community by reason for visit                         | N/A               | N/A      | N/A       | N/A              | N/A       | Data for this metric is currently unavailable.   |
| 7.5 Housing   |                   |          |           |                  |           |  |
| Persons on waitlist for public housing by community   | /                 | /        | /         | /                | /         | The number of persons on a waitlist for housing has been increasing in Baker Lake and Arviat steadily since 2010. Rankin Inlet has seen a substantial decrease in wait lists over this same period. This may be the result of additional construction of private dwellings as an economic center for the region.   |
| 7.6 Food security   |                   |          |           |                  |           |  |
| Food security by region or community  | N/A               | N/A      | N/A       | N/A              | N/A       | Data for this metric is currently unavailable.   |
| 7.7 Suicide   |                   |          |           |                  |           |  |

|                                      |   |   |   |   |   |   |
|--------------------------------------|---|---|---|---|---|---|
| Suicides per 10,000 people by region | / | / | / | / | / | There is a persistent and territory-wide suicide crisis in Nunavut. The factors contributing to suicide are numerous and complex, so it is difficult to assess impacts of Meadowbank on suicide rates. Community suicide rates (e.g. for Baker Lake) are highly variable from year to year. Trends are more apparent in long-term and/or regional data. |
|--------------------------------------|---|---|---|---|---|---|

### Understanding the trends & interpretations table

| Time horizon  | Direction  | Value  |
|---|--|--|
| <b>Pre-dev:</b> trend prior to the operation / construction phase of the project (2010 for Meadowbank; 2017 for Meliadine)<br><b>Post-dev:</b> trend from the onset of operation of Meadowbank (2010). As 2017 is the first year of major construction at Meliadine, post-development trends are not considered for the current reporting year.<br><b>Last year:</b> movement from 2016 to 2017 | ↑ Increasing<br>↓ Decreasing<br>→ Remaining stable<br>/ No discernable trend<br>N/A Not applicable | ■ <b>Positive:</b> change in indicator towards the achievement of the desired impact or goal<br>■ <b>Negative:</b> change in indicator away from the achievement of the desired impact or goal<br>■ <b>Neutral:</b> no observed change in indicator with regard to the achievement of the desired impact or goal |

## Existing Management and Mitigation

A number of programs are in place to encourage individual and community wellness in the Kivalliq region, such as site tours for Kivalliq residents, community liaison, and counselling programs, as outline in Table 6 below.

*Table 6: Agnico Eagle Individual and Community Wellness Management and Mitigation Initiatives*

| Program  | Purpose / Description / Outcomes   |
|--|--|
| Baker Lake Wellness Report & Implementation Plan | In the 2011 Meadowbank IIBA, Agnico Eagle committed to prepare for the KIA an annual community-driven report on the wellness of the Inuit residents of Baker Lake. Two Wellness Reports and Implementation Plans (for 2015 and 2016) have been developed and submitted. These are posted on the Agnico Eagle website. For the purpose of developing Hamlet wellness indicators that are meaningful to Baker Lake residents, qualitative community-based research was conducted to capture how Baker Lake residents define and perceive their Hamlet's wellness. Statistical information (including the data presented in this report, where community-specific data were available) was also included in the report.   |
| Community Funding Agreements                     | In 2015, Agnico initiated new community activity agreements (Community Initiatives Fund Agreements) with the Hamlets of Baker Lake, Rankin Inlet, Arviat and Chesterfield Inlet. In 2017, Agnico established or renewed Community Initiatives Fund agreements with all Kivalliq hamlets. The purpose of the funds is to invest in community-based activities that will enrich the cultural and social wellbeing of the community. Each hamlet is responsible for the allocation of the funds in alignment with the purpose and is guided by the Agnico Donations Policy Agreement  |
| Community Coordinators Program                   | <p>In 2016, the Community Coordinators program expanded to sponsor part-time Agnico Eagle Coordinators in all Hamlets in the Kivalliq Region. Agnico Eagle's offices in the communities of Rankin Inlet and Baker Lake already had Agnico Eagle staff working full and part-time to provide community relations support.</p> <p>The objective of the community-based Agnico Eagle Coordinators is to provide a point of contact in each community to facilitate communications, provide services, and coordinate activities in the following areas:</p> <ul style="list-style-type: none"> <li>- Support to the HR department by:               <ul style="list-style-type: none"> <li>o Assisting HR and other Agnico Eagle departments to locate employees or potential employees as required</li> <li>o Contact employees in advance of their shift departure times</li> </ul> </li> <li>- Support to the Recruitment team by guiding interested individuals in the application process outlined by the Labour Pool Process</li> <li>- Provide advice and assistance to Agnico Eagle to organize and hold information sessions in the community on Agnico Eagle projects and initiatives, including those Labour Pool and business opportunities initiatives outlined in the IIBAs</li> <li>- Provide updates to the Hamlet Council on Agnico Eagle activities</li> </ul> |

| Program                               | Purpose / Description / Outcomes   |
|---------------------------------------|--|
|                                       | <ul style="list-style-type: none"> <li>- Distribute Agnico Eagle information and promotional materials</li> </ul> <p>The increase of community involvement requirements for Agnico Eagle to achieve recruitment goals and the obligations for the NIRB and IIBA renders the Community Coordinators essential for Agnico Eagle's Nunavut operations. In 2017, the Community Coordinators attended Agnico Eagle training to ensure they have the proper tools and resources to fulfill their responsibilities.</p>   |
| Community Liaison Committee           | Agnico Eagle continued to host meetings with the Meadowbank Community Liaison Committee in 2017 to discuss issues of concern or interest. The committee consists of various representatives including the Elders Society, youth, the business community, adult education committee, the Hamlet, Nunavut Arctic College and the Hunters and Trappers Organization of Baker Lake. Meetings are held in both English and Inuktitut and meetings are held at minimum twice per year, ideally four times per year. The Committee brings insight on issues and provides advice to Management on solutions.   |
| Site Tours for Baker Lake Residents   | <p>Each year, Agnico Eagle offers a variety of ways for the residents of Baker Lake, as well as various other groups or individuals from the Kivalliq region, to visit Meadowbank Site. The list below outlines the major visits to the site during 2017:</p> <ul style="list-style-type: none"> <li>- Each year in August, Agnico Eagle invites the residents of Baker Lake to come on a site tour at Meadowbank Mine. In 2017, Meadowbank welcomed four (4) tours, for a total of approximately 100 visitors.</li> <li>- In January 2017, Meadowbank received the MLA and Mayor of Baker Lake</li> <li>- In October 2017, a site visit by the Baker Lake high school was held</li> </ul> |
| Site Tours for Rankin Inlet Residents | In 2017, Agnico Eagle offered tours of the Meliadine site to approximately 100 residents of Rankin Inlet – approximately 100 visitors had the opportunity to visit the site.   |
| Counselling Programs                  | Agnico Eagle offers a number of counselling programs for its employees and their families. These programs are described in further detail in section 7.1.  |

## 7.1 Agnico Eagle Programs

### Predictions

#### MEADOWBANK

There are no predictions in the Meadowbank FEIS regarding community wellness programs and usage at Meadowbank.

#### MELIADINE

There are no predictions in the Meliadine FEIS regarding community wellness programs and usage at Meliadine.

### Data & Trends

Chart 27 provides an overview of wellness programs offered by Agnico Eagle to its employees. Utilization data of Inuit counselling and on-site visits by nurses and doctors are not tracked by Agnico Eagle.

*Chart 27. Agnico Eagle wellness programs offerings & utilization by project employees*

| Wellness program / initiative      | 2011 | 2012 | 2013 | 2014 | 2015         | 2016 | 2017 | Total |
|------------------------------------|------|------|------|------|--------------|------|------|-------|
| Coping with FIFO Program           |      |      |      | 24   | 64           | 12   |      | 100   |
| Employee Assistance Program        | 2    | 2    | 3    | 6    | 6            | 52   | 57   | 128   |
| Inuit counseling                   |      |      |      |      | not measured |      |      | 0     |
| On site visits by nurses & doctors |      |      |      |      | not measured |      |      | 0     |

(Agnico Eagle Mines, 2017)

Chart 28 provides an overview of wellness programs offered by Agnico Eagle to Kivalliq community members.

*Chart 28. Agnico Eagle wellness programs offerings & utilization by community members*

| Wellness program / initiative     | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | <b>Total</b> |
|-----------------------------------|------|------|------|------|------|------|--------------|
| Elder Visitation Program / Eld... | 12   | 12   | 8    | 4    | 23   |      | <b>59</b>    |
| Site Readiness Program            |      |      |      | 155  | 128  | 193  | <b>476</b>   |
| Work Readiness Program            |      |      |      | 155  | 151  | 240  | <b>546</b>   |

(Agnico Eagle Mines, 2017)

## Interpretation

It is difficult to assess participation in counselling programs at Meadowbank, as privacy concerns limit the ability to track or publicize this information. Where data can be and are collected, all counselling programs have seen some usage by their intended audience. The use of the Family Employee Assistance Program increased significantly in 2016 and remained at a high level 2017. The Family Employee Assistance Program consists of two services: one from Consultants BCH and the other from Homewood. Agnico Eagle is reviewing the data to determine if this large increase is due to change in actual program usage or reporting inconsistencies.

The Elder Visitation Program was less used in 2015 than in 2014 (falling from 8 to 4 visits). Although the program was not formally in place in 2016, there were 23 Elder visits on site during the year including 3 elders who attended Country Food Nights and 20 elders attending during Baker Lake Residents Visits. There were no recorded visits from elders to site in 2017, however elders involvement is a major part of Module 0 in the Leadership Development Program, which is held in Baker Lake. During this day visit to Baker Lake, there is a question-answer period between Agnico Eagle staff and a panel of elders, who speak about the history of the hamlet and provide advice on how supervisors can incorporate Inuit Quajimajatunqangit into their supervision practices. Agnico Eagle and KIA are working to have an Elder assigned to work with each IIBA On-Site Working Group (at Meadowbank and Meliadine) in 2018.

The Coping with FIFO (fly-in fly-out) program did not run in 2017, due to the loss of KMTS funding. Previous years had seen program participation fluctuate between 12 and 64 persons per year. While three sessions took place at Meadowbank in 2015-16, Agnico Eagle noted that recruiting participants for this program in its last year was challenging.

## 7.2 Perceptions of health & wellness

### Predictions

#### MEADOWBANK

There are no predictions in the Meadowbank FEIS regarding the perceptions of health and wellness in the Kivalliq region.

#### MELIADINE

"Perceptions of Project effects may lead to mental stress and changes in behaviour (i.e., diet)." (Golder Associates, 2014, p. 1-C-48)

Data & Trends

As part of the revised SEMP, Agnico Eagle has committed to the development of an Inuit employee survey to gather data and insights on health and wellness, along with other topics. This survey was not administered during the 2017 reporting year.

7.3 Criminal violations

Predictions

MEADOWBANK

There are no specific predictions in the Meadowbank FEIS regarding criminality in the Kivalliq region.

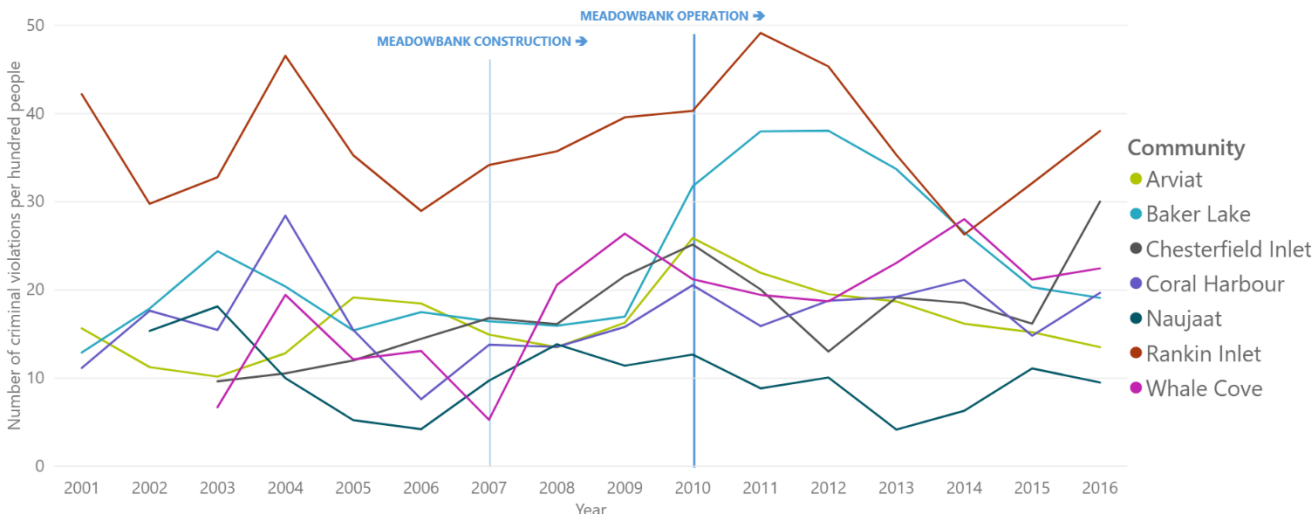
MELIADINE

"The Project may result in increased social inequality leading to higher crime rates." (Golder Associates, 2014, p. 1-C-49)

Data & Trends

Chart 29 shows the criminal violations rate (number of violations per 100 people<sup>6</sup>) for each community in the Kivalliq region from 1999 to 2016, the latest year for which data is available.

Chart 29. Criminal violations per hundred people by Kivalliq community

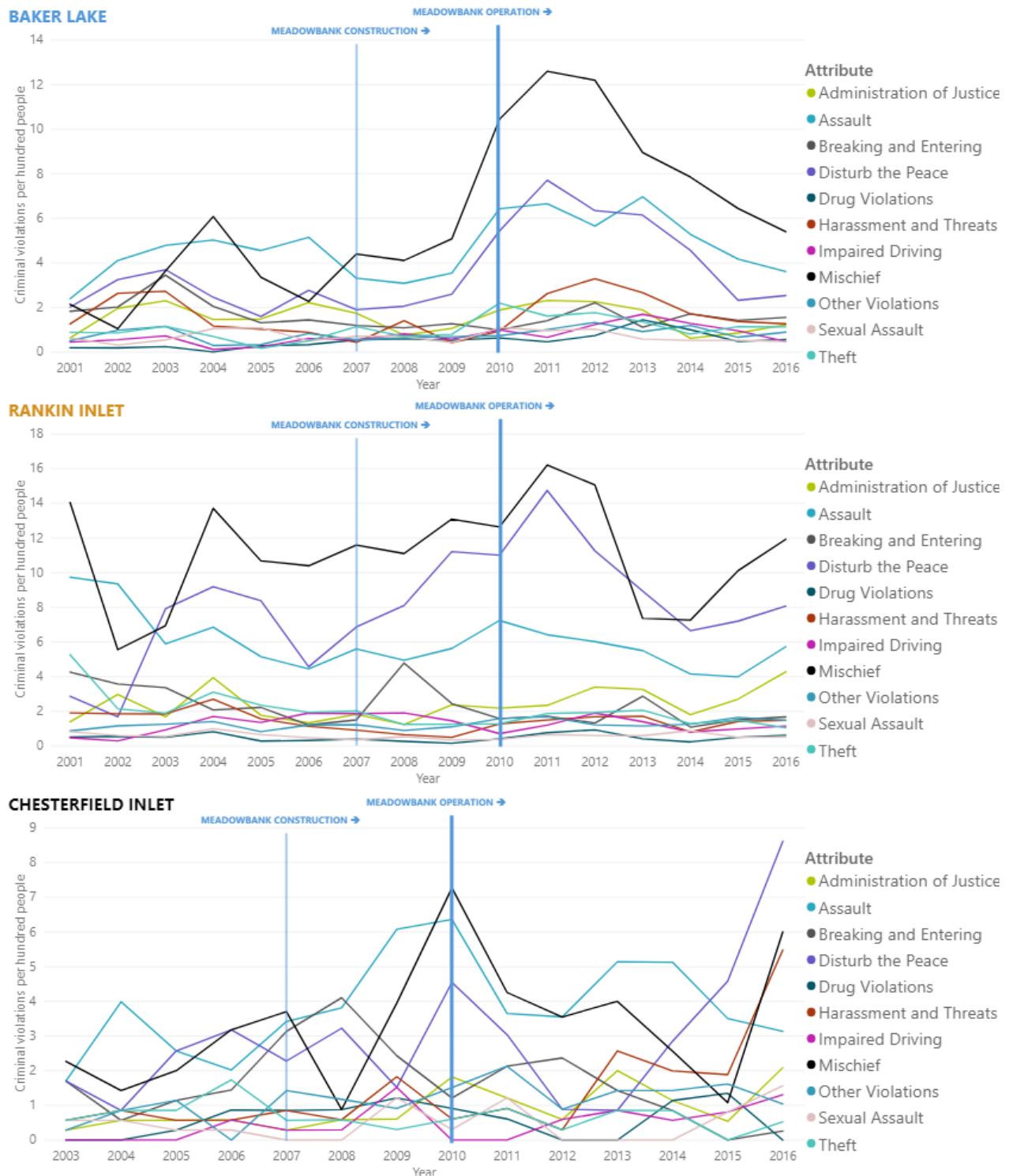


(Statistics Canada, 2017a)

Chart 30 shows the criminal violations rate by type for Baker Lake, Rankin Inlet and Chesterfield Inlet to 2016, the latest year for which data is available.

<sup>6</sup> Note that StatsCan provides criminal violation data per 100,000 people. The report authors use a per 100 people measurement that is more intuitive in a Nunavut context

Chart 30. Criminal violations per hundred people by type (Baker Lake, Rankin Inlet, Chesterfield Inlet)



(Statistics Canada, 2016e; Statistics Canada, 2017b)



## Interpretation

With the exception of Rankin Inlet, all communities had fewer than 25 total criminal violations per hundred people in the 2006 - 2009 period (baseline). Baker Lake, Rankin Inlet, and Arviat all experienced significant increases in total criminal violation rates since the Meadowbank mine began production. Additional expendable income can lead to alcohol and drug abuse and intensify existing social problems such as violence; a high percentage of police call-outs are believed to be related to alcohol (Buell, 2006). This is further supported by a recent study, which found that the proximity of mines had a larger impact on an individual's average alcohol consumption per week than proximity to casinos or bars (Godfrey, 2017).

After 2010, the total criminal violations rate in Arviat steadily decreased and returned to approximately 2006-levels in 2013 and continued to decline through 2016. Total criminal violation rates in Baker Lake and Rankin Inlet reached historic high levels of approximately 51 and 47 per 100 people, respectively, in 2011 and 2012. Recent data indicates a downward trend (since 2012) in criminal violations in Baker Lake, with the 2016 number slightly above the 2006-2009 baseline. While Rankin Inlet experienced a similar decline up until 2014, the total number of criminal violations in the community has increased over the past 2 years.

In Baker Lake, rates of harassment and threats, mischief, disturbing the peace, and theft more than doubled or tripled in the early years following the beginning of mine production (2010 – 2012). The rates of more serious crimes, including assault and sexual assault, also increased significantly (by 65% - 95%) during this same period. With the exception of assault, impaired driving, and drug violations, there was a decrease in all types of violations in Baker Lake in 2013, consistent with the decrease in the rate of total criminal violations. 2015 and 2016 saw continued decrease in the most common violations (assault and mischief) and relatively stable levels of other violations.

Rankin Inlet similarly saw a rise in mischief, disturbing the peace and assaults up until 2012, which was followed by a decline in most types of crime in 2013 and 2014. 2015 and 2016 saw a steady rise in these most common violation, though still below their 2011 highs.

From 2015 to 2016, Chesterfield Inlet experienced sharp increases in the rates of mischief, harassment and threats, and disturbing the peace, with the last two violation types reaching all-time highs for the available data. In 2016, the total criminal violation rate in Chesterfield Inlet was the second highest among Kivalliq communities.

## 7.4 Health centre visits by reason for visit

### Predictions

#### MEADOWBANK

"The potential public health and safety impacts of the project, of unknown magnitude, are negative, and, because there is such high impact at the individual level in the event that a risk is realized, the effects must be considered long term and of high significance." (Cumberland Resources Ltd., 2006, p. 126)

#### MELIADINE

There are no specific predictions on the use of GN Health services from a wellness perspective in the Meliadine FEIS. (though other relevant predictions are provided in VSECs 8 and 9).

### Data & Trends

Data unavailable at this time.



## 7.5 Housing

### Predictions

#### MEADOWBANK

There are no predictions in the Meadowbank FEIS regarding housing in the Kivalliq region.

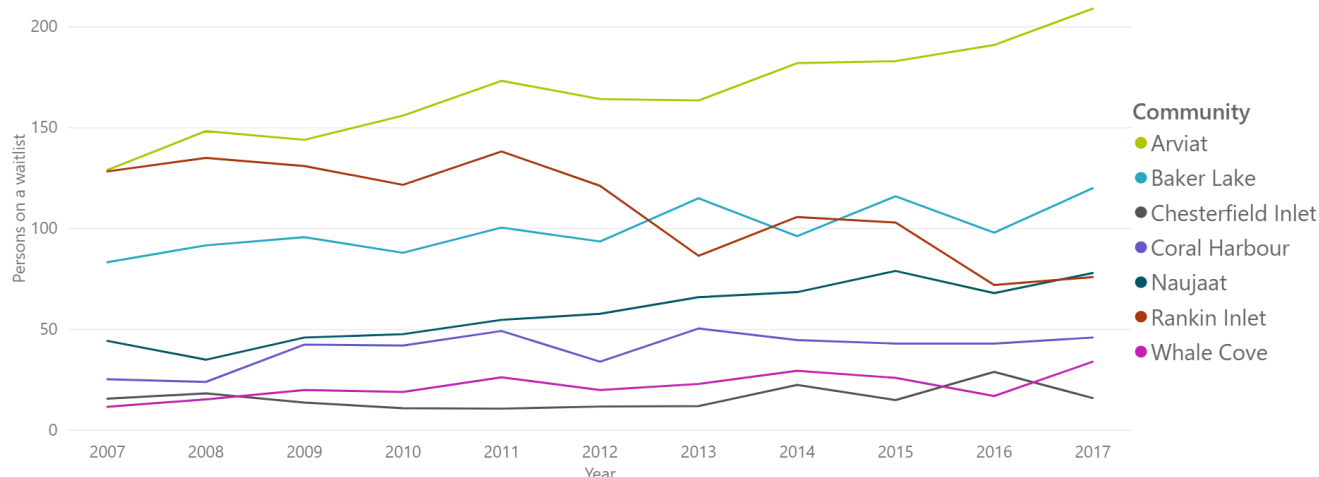
#### MELIADINE

“Project may induce in-migration to Rankin Inlet leading to overcrowding of housing and detrimental public health effects.” (Cumberland Resources Ltd., 2014, p. 1-C-48)

### Data & Trends

Chart 31 shows the number of citizens in the Kivalliq region who were on a waiting list for public housing in 2010, by community.

Chart 31. Persons on waitlist for public housing by community



(Nunavut Housing Corporation, 2018)

At the time of this report, data on overcrowding rates was not available.

### Interpretation

Housing in Nunavut is largely government owned and controlled. Therefore, the dynamics of housing supply and demand in response to changes in individual income are different than those one might expect in other housing markets in Canada.

The number of persons on a waitlist for housing has been increasing in Baker Lake and Arviat steadily since 2010. Rankin Inlet has seen a substantial decrease in wait lists over this same period. This may be the result of additional construction of private dwellings as an economic center for the region.

The relationship between housing conditions and mining activity in the Kivalliq region is unclear, but there is a range of potential pathways of effects. For example, increased income may lead to an increase in the construction and purchase of private housing, and a decrease in waitlists or overcrowding rates. However, increased in-migration (as noted as a potential impact to Rankin Inlet in the Meliadine FEIS) could increase overcrowding and waitlists. Currently, the data does not indicate increased in-migration as a result of the mines as a pathway affecting housing outcomes.

While a useful indicator, waitlists only tell a small part of the story of housing in Nunavut. The last comprehensive survey completed on housing in Nunavut was the 2010 Nunavut Housing Needs Survey (NHNS). The survey provided a more comprehensive picture of the state of and attitudes around housing in the territory. For example, the NHNS found that 65% of Kivalliq public housing was below housing standards – either being overcrowded or requiring major repairs or both.

## 7.6 Food security

### Predictions

#### MEADOWBANK

There are no predictions in the Meadowbank FEIS specifically related to impacts on the consumption of country foods.

#### MELIADINE

- “The Project will have a negative effect on food security in that perceptions of the Project may lead to mental stress and changes in behaviors (i.e., diet).” (Golder Associates, 2014, p. 113)
- “Project employment may increase time and resources available for harvesting nutritious country foods.” (Golder Associates, 2014, p. 1-C-46)

### Data & Trends

The Inuit Health Survey reported that nearly 70 per cent of Inuit households in Nunavut are food insecure. This is over eight times higher than the national average and among the highest documented food insecurity rates for an Indigenous population in a developed country. However, there is currently no source of annual government data on food security in the Kivalliq region and for individual Kivalliq communities<sup>7</sup>

## 7.7 Suicide

### Predictions

#### MEADOWBANK

There are no specific predictions in the Meadowbank FEIS regarding suicide in the Kivalliq region.

#### MELIADINE

There are no specific predictions in the Meliadine FEIS regarding suicide in the Kivalliq region.

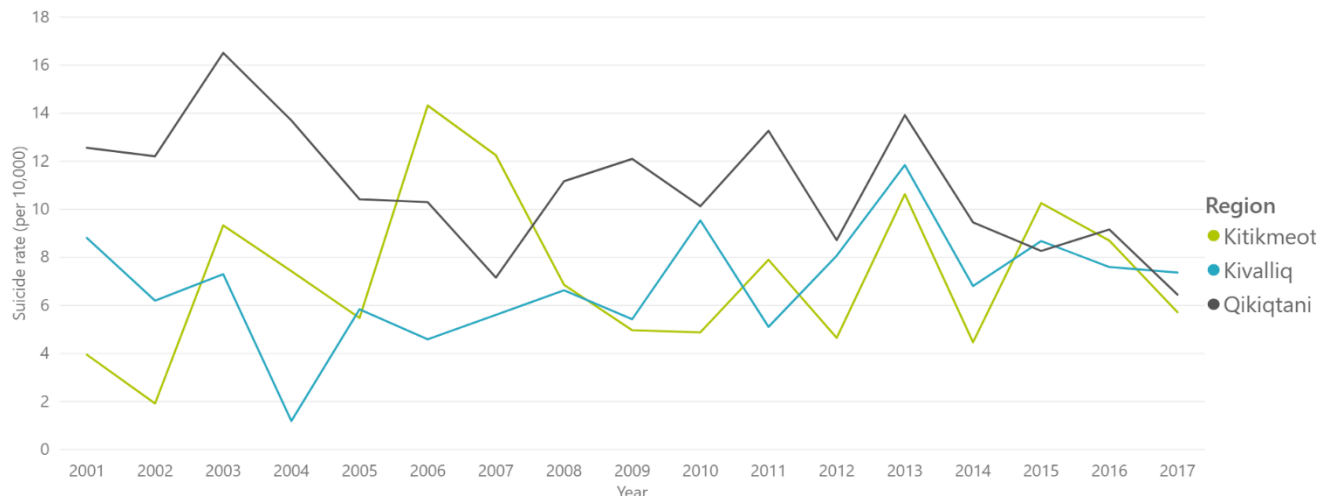
### Data & Trends

Chart 32 shows the suicide rate per 10,000 people by region from 2000 to 2017.

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<sup>7</sup> [http://www.nunavutfoodsecurity.ca/sites/default/files/files/Resources/Strategy/NunavutFoodSecurityStrategy\\_ENGLISH.pdf](http://www.nunavutfoodsecurity.ca/sites/default/files/files/Resources/Strategy/NunavutFoodSecurityStrategy_ENGLISH.pdf)

Chart 32. Suicides per 10,000 people by region



(Department of Justice, 2018)

## Interpretation

Suicide rates in Nunavut remains at crisis levels, ranging from 5 to 25 times the rate of suicide in Canada (NTI, 2016). As shown in Chart 32, the suicide rate in all three regions of Nunavut in 2017 is similar to that in 2000. Underlying risk factors are numerous and long-standing; they range from the effects of historical trauma and its symptoms to the high rates of child sexual abuse, alcohol and drug use, poverty, high school dropout rates, and the cultural losses brought about by residential schools and forced relocations.

Due to the persistent and territory-wide nature of this crisis, it is difficult to assess the impacts of Agnico's projects on suicide rates in Kivalliq communities (Eggerston, 2015). Furthermore, given the small populations of Kivalliq communities and the highly variable numbers of suicides observed in each community, short-term trends are difficult to discern. The number of suicides in the Kivalliq region each year from 2010 to 2017 were: 8, 5, 8, 12, 7, 9 and 8 and 8. These numbers alone do not point to a particular trend since Meadowbank began production.

In July of 2016, NTI released the National Inuit Suicide Prevention Strategy, which sets out a series of actions and interventions to address the high number of deaths by suicide among Inuit. The Strategy promotes a shared understanding of the context and underlying risk factors for suicide in Inuit communities and guides policy at the regional and national levels on evidence-based approaches to suicide prevention (NTI, 2016). Other community level programs – including B.L.A.S.T. (Baker Lake Against Suicide Team) – are working to address the suicide crisis at the hamlet-level.

# VSEC 8: Health and Safety

## IMPACT / GOAL STATEMENT

Strong health and safety culture. Zero workplace accidents.

## OVERARCHING FEIS PREDICTIONS

**Meadowbank:** The FEIS considers both the health and safety of workers and the public and recognizes that one may affect the other. “Health and safety of workers and the population at large is subject to legislation and perhaps more importantly to best practices. Health and safety training also has applications in personal life – workers often not only use new health and safety training on-the-job, but also at home in the course of daily tasks.” (Cumberland Resources Ltd., 2006, p. 126)

**Meliadine:** “Project health and safety training may improve health and safety at mine site and outside of the workplace.” (Golder Associates, 2014, p. 1-C-49)

## TRENDS & INTERPRETATIONS

| Metric   | Meadowbank trends |          |           | Meliadine trends |           | Interpretation  |
|--|-------------------|----------|-----------|------------------|-----------|---|
|  | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |   |
| 8.1 Health and safety training   |                   |          |           |                  |           |   |
| Average (per FTE) mandatory training hours provided to Agnico Eagle Inuit employees                    | N/A               | /        | →         | N/A              | ↑         | A steady increase in overall mandatory training hours for full-time employees has occurred at both Meadowbank and Meliadine from 2015 to 2017. Health and safety training increased for Inuit and non-Inuit employees in 2017 at Meliadine. None of the data collected permits an assessment of the impacts of Agnico Eagle's projects and their programs on the general health status of workers and their families. |
| 8.2 Health and safety on-site  |                   |          |           |                  |           |   |
| Average (per-FTE) visits by project Agnico Eagle employees to clinic for work-related or other reasons | N/A               | ↓        | →         | N/A              | ↓         | There was a small rise in visits to Agnico Eagle clinics for work-related injuries in 2017, though this is largely accounted for by an increase in employment. Overall, the number of clinic visits has been fairly stable since 2012, and the clinic continues to serve an important function in addressing the health and medical needs of workers.   |
| Project combined lost-time and light duty accident frequency (per 200,000 person-hours)                | N/A               | ↓        | ↑         | N/A              | ↓         | Lost-time and light duty accident frequency decreased for four years in a row up to 2015 but increased in 2016 (from .57 to .72) and in 2017 to 1.62.   |

## Understanding the trends & interpretations table

| Time horizon  | Direction              | Value  |
|---|------------------------|--|
| <b>Pre-dev:</b> trend prior to the operation / construction phase of the project (2010 for Meadowbank; 2017 for Meliadine)  | ↑ Increasing           | ■ <b>Positive:</b> change in indicator towards the achievement of the desired impact or goal                   |
| <b>Post-dev:</b> trend from the onset of operation of Meadowbank (2010). As 2017 is the first year of major construction at Meliadine, post-development trends are not considered for the current reporting year. | ↓ Decreasing           | ■ <b>Negative:</b> change in indicator away from the achievement of the desired impact or goal                 |
| <b>Last year:</b> movement from 2016 to 2017  | → Remaining stable     | ■ <b>Neutral:</b> no observed change in indicator with regard to the achievement of the desired impact or goal |
|   | / No discernable trend |  |
|   | N/A Not applicable     |  |

## Existing Management and Mitigation

A number of training programs are in place to support a strong health and safety culture and minimize health and safety incidents at Meadowbank and Meliadine, as outlined in Table 7 below.

*Table 7: Agnico Eagle Health and Safety Management and Mitigation Initiatives*

| Program                                | Purpose / Description / Outcomes   |
|--|--|
| Emergency Response Team (ERT) Training | Meadowbank employs an Emergency Response Team (ERT) to assist and help in any type of situation. To join the team, a candidate must demonstrate: an interest in safety, good attendance and good behaviour at work, and be in good physical condition. An ERT practice takes place weekly and each member must attend at least six (6) practices throughout the year. In 2017 there were no Inuit members.   |
| JOH&S Committee Training               | Members of the Joint Occupational Health and Safety (JOH&S) committee received training in order to improve their skills related to the management of Health & Safety. The training covered various topics including: Roles & Responsibilities of the JOH&S committee, interpretation of the Mines Act & Regulations, conducting inspections, conducting accident/incident investigations due diligence, part of the Criminal code and Supervision Formula training as well as a coaching phase. Both the Meadowbank and Meliadine JOH&S Committee has Inuit representation. |
| Employee Health & Safety Training      | General health and safety training, as required by the <i>Nunavut Mine Act</i> , and in line with Agnico Eagle's Health and Safety policies, is provided in English, French and Inuktitut prior to an employee's arrival on site. Further information is provided in section 8.1.  |

### 8.1 Health and safety training

#### Predictions

##### MEADOWBANK

There are no predictions in the Meadowbank FEIS regarding health and safety training at Meadowbank.

##### MELIADINE

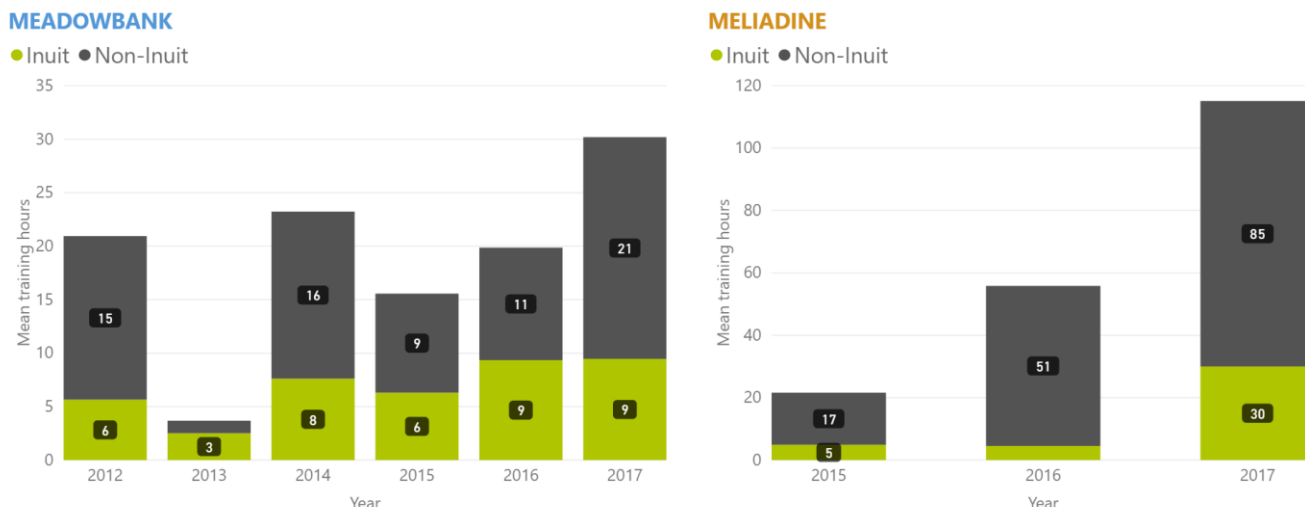
"Project health and safety training may improve health and safety at mine site and outside of the workplace." (Golder Associates, 2014, p. 1-C-49)

#### Data & Trends

Chart 33 shows average mandatory training hours provided to Inuit and non-Inuit employees. This is calculated by putting the total number of training hours over the number of FTE employees. Mandatory training includes:

- **Health and Safety training** includes mandatory training related to compliance with the Nunavut Mine Act, as well as training that is mandated according to Agnico Eagle Health and Safety policies. Many of these training sessions are offered via e-learning prior to the employee's arrival on site. Other health and safety training relevant to an individual's job is also provided on site.
- **General training** consists of training activities required at a departmental level and covers many employees working in different departments. General training includes training on light duty equipment as well as enterprise software systems and cross-cultural training.

Chart 33. Average (per FTE) mandatory training hours provided to Agnico Eagle Inuit employees



(Agnico Eagle Mines, 2017)

## Interpretation

A steady increase in overall mandatory training hours for full-time employees has occurred at both Meadowbank and Meliadine from 2015 to 2017. For full-time Inuit employees at Meadowbank, the average number of training hours was maintained from 2016 to 2017, while non-Inuit hours almost doubled. This is likely due to increased activity at Whale Tail, where the majority of staff are contractors. Additionally, there is a 3-year mandatory refresher for many H&S courses, including e-learning, required by Agnico Eagle. This may partially explain the bumps at Meadowbank in 2014 and 2017 for non-Inuit employees, as the relatively higher turnover for Inuit employees would make this effect less pronounced.

None of the data collected permits an assessment of the impacts of Agnico Eagle's projects and their programs on the general health status of workers and their families outside the workplace.

## 8.2 Health and safety on-site

### Predictions

#### MEADOWBANK

There are no predictions in the Meadowbank FEIS regarding health and safety on-site at Meadowbank.

#### MELIADINE

There are no predictions in the Meliadine FEIS regarding health and safety on-site at Meliadine.

### Data & Trends

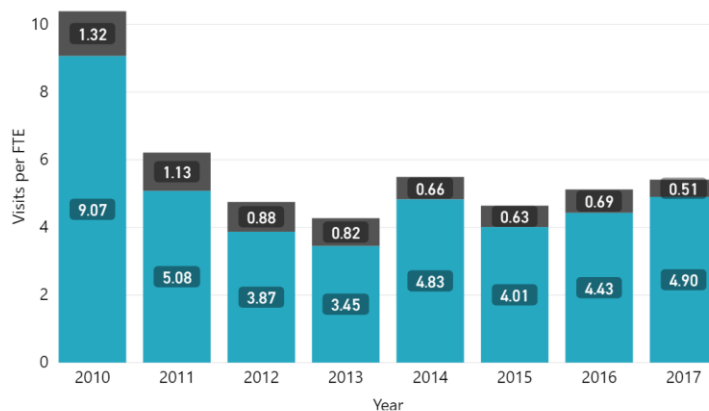
The following charts provide an overview of the health and safety performance for Meadowbank and Meliadine.

Chart 34 shows the visits per FTE to Agnico Eagle clinic for work-related reasons (e.g. injuries) or other reasons (e.g. personal conditions ranging from minor ailments, such as colds, to severe conditions, such as myocardial infection).

Chart 34. Average (per-FTE) visits by project Agnico Eagle employees to clinic for work-related or other reasons

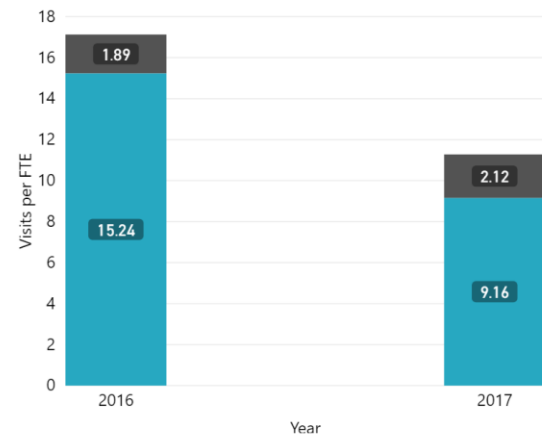
#### MEADOWBANK

● Non work-related visits ● Work-related visits



#### MELIADINE

● Non work-related visits ● Work-related visits

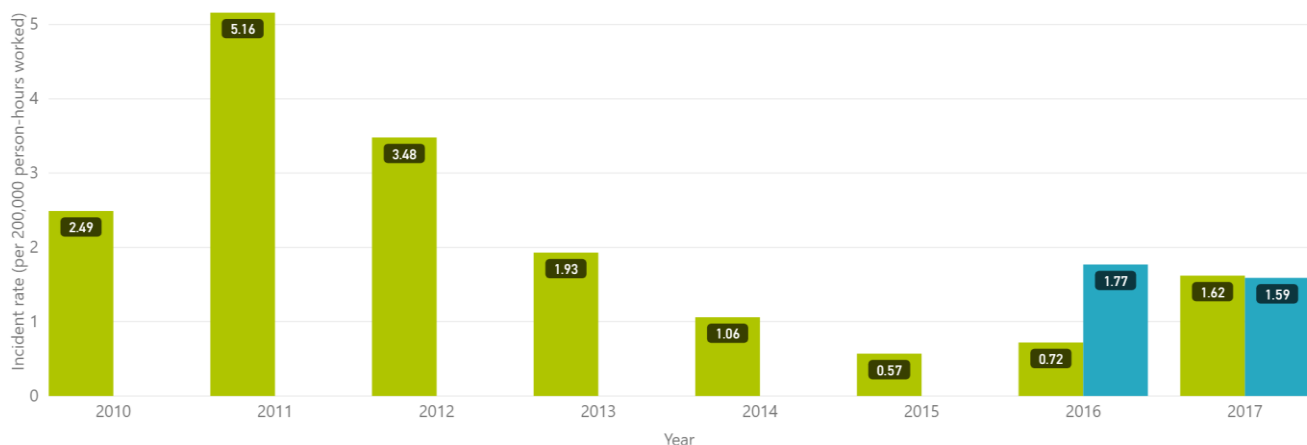


(Agnico Eagle Mines, 2017)

Chart 35 shows the combined lost-time and light duty accident frequency on site, per 200,000 person-hours worked.

Chart 35. Project combined lost-time and light duty accident frequency (per 200,000 person-hours)

● Meadowbank ● Meliadine



(Agnico Eagle Mines, 2017)

## Interpretation

In all years, over 80% of visits to Agnico Eagle clinics, at both Meadowbank and Meliadine, have been for non-work-related conditions. It appears that the clinics serve an important function in addressing the general non-work-related health/medical needs of workers.

Clinic visits at Meadowbank for work-related injuries declined from 1.3 visits per FTE in 2010 to 0.66 in 2014, and have remained stable in the following years – ranging from 0.51 to 0.69 visits per FTE. The decline in visits for work-related injuries is consistent with overall improvements in health and safety performance at the mine that are also reflected in the lost time and light duty accident frequency rate.

Clinic visits at Meliadine for work-related injuries increased from 1.8 visits per FTE in 2016 to 2.1 in 2017, which is somewhat higher than the number of visits per FTE at Meadowbank at the beginning of operation.

The lost time and light duty accident frequency rate (incidents per 200,000 person-hours worked) at Meadowbank decreased from a high of 5.16 in 2011 to 0.57 in 2015. Since then, the rate has increased each year to a level of 1.62 in 2017 but remains historically low when compared to 2010 to 2013. The recent increases may be the result of increased activity at the Whale Tail deposit.

The lost time and light duty accident frequency rate at Meliadine decreased slightly in 2017 to 1.59, which is similar to the rate at Meadowbank.

Beginning in 2012, Agnico Eagle developed and then implemented its Responsible Mine Management System, which includes workplace health and safety management. The current data does not provide any indication of how health and safety training is affecting practices at home and community health and safety outcomes.



# VSEC 9: Community Infrastructure and Services

## IMPACT / GOAL STATEMENT

- Community infrastructure (transportation, energy, water, services) is maintained
- Social assistance costs are reduced during and beyond the life of the mines

## OVERARCHING FEIS PREDICTIONS

**Meadowbank:** “The impacts on social services and infrastructure, of low to medium magnitude, are considered largely positive in the medium term and of moderate significance. There is some potential for closure to have a negative impact on social service delivery.” (Cumberland Resources Ltd., 2006, p. 128)

**Meliadine:** “The Project will increase demand on various public services, putting additional pressure on resources, and human resources in particular. This would have a negative effect on users. However, increased training of labour force could have a beneficial effect on capacities in the long-term.” (Golder Associates, 2014, p. 1-C-53)

## TRENDS & INTERPRETATIONS

| Metric   | Meadowbank trends |          |           | Meliadine trends |           | Interpretation   |
|--|-------------------|----------|-----------|------------------|-----------|--|
|  | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |  |
| 9.1 Use of GN health services  |                   |          |           |                  |           |  |
| Kivalliq community health centre visits per capita   | ↓                 | ↑        | N/A       | ↑                | N/A       | Per capita health centre visits in communities with the most Agnico Eagle employees (Baker Lake, Rankin Inlet, and Arviat) are beginning to show an upward trend, most notably in Baker Lake and Arviat. The number of employees referred to their community health care centres for personal or work-related reasons ranges from 14 to 58 people per year, though it is difficult to draw a relationship between changes in this indicator and use of GN Health Services. |
| Persons transported from site to access health services (province & Nunavut)   | N/A               | ↑        | ↓         | N/A              | ↑         |  |
| Incidents requiring use of GN health services  | N/A               | /        | ↓         | N/A              | ↑         |  |
| 9.2 Use of public infrastructure   |                   |          |           |                  |           |  |
| Estimates of use of public physical infrastructure directly related to Project (airports, port, meeting facilities, roads) | N/A               | N/A      | N/A       | N/A              | N/A       | The use of public physical infrastructure by Meadowbank and its employees consists primarily of the use of airports and has been relatively consistent since operation began in 2010. There are no indications of significant positive or negative impacts on this infrastructure. Having just begun construction and development in 2017, it is too soon to conclude what impacts Meliadine may be having on Rankin Inlet's airport or port.                              |
| All-weather access road (AWAR)   | N/A               | /        | ↓         | N/A              | N/A       |  |
| 9.3 Social assistance  |                   |          |           |                  |           |  |
| Per capita social assistance expenditures by community   | ↓                 | /        | N/A       | ↓                | N/A       | Despite declines from historical highs, social assistance data does not show a clear correlation between mine-related employment and social assistance requirements in Baker Lake or Arviat. Data suggests that both expenditures and percentage of households receiving social assistance have been declining in Rankin Inlet since Meadowbank opened.  |
| Percentage of households receiving social assistance by community  | ↓                 | ↓        | ↓         | ↓                | ↓         |  |

## Understanding the trends & interpretations table

| Time horizon  | Direction              | Value  |
|---|------------------------|--|
| <b>Pre-dev:</b> trend prior to the operation / construction phase of the project (2010 for Meadowbank; 2017 for Meliadine)  | ↑ Increasing           | ■ <b>Positive:</b> change in indicator towards the achievement of the desired impact or goal                   |
| <b>Post-dev:</b> trend from the onset of operation of Meadowbank (2010). As 2017 is the first year of major construction at Meliadine, post-development trends are not considered for the current reporting year. | ↓ Decreasing           | ■ <b>Negative:</b> change in indicator away from the achievement of the desired impact or goal                 |
| <b>Last year:</b> movement from 2016 to 2017  | → Remaining stable     | ■ <b>Neutral:</b> no observed change in indicator with regard to the achievement of the desired impact or goal |
|   | / No discernable trend |  |
|   | N/A Not applicable     |  |

# Existing Management and Mitigation

Local community infrastructure and services capacity was taken into account in the project design for both Meadowbank and Meliadine, leading to a number of operational decisions, including an on-site clinic at both projects as well as the on-site airstrip at Meadowbank. Further, a number of Agnico Eagle's economic programs are meant to improve community infrastructure and services in the long term. For example, programs which aim to increase local employment, contracting and business opportunities can reduce social assistance expenditures over time. These programs are outlined in the respective sections of this report (see VSEC 1 and 3).

## 9.1 Use of GN health services

### Use Predictions

#### MEADOWBANK

“Increased employment and business opportunities will result in increased income, a measure of economic security, capacity building that will contribute to employability over the long term, and improved self-image of employees and their families. This could result in reducing dependence on government social services.” (Cumberland Resources Ltd., 2006, p. 128)

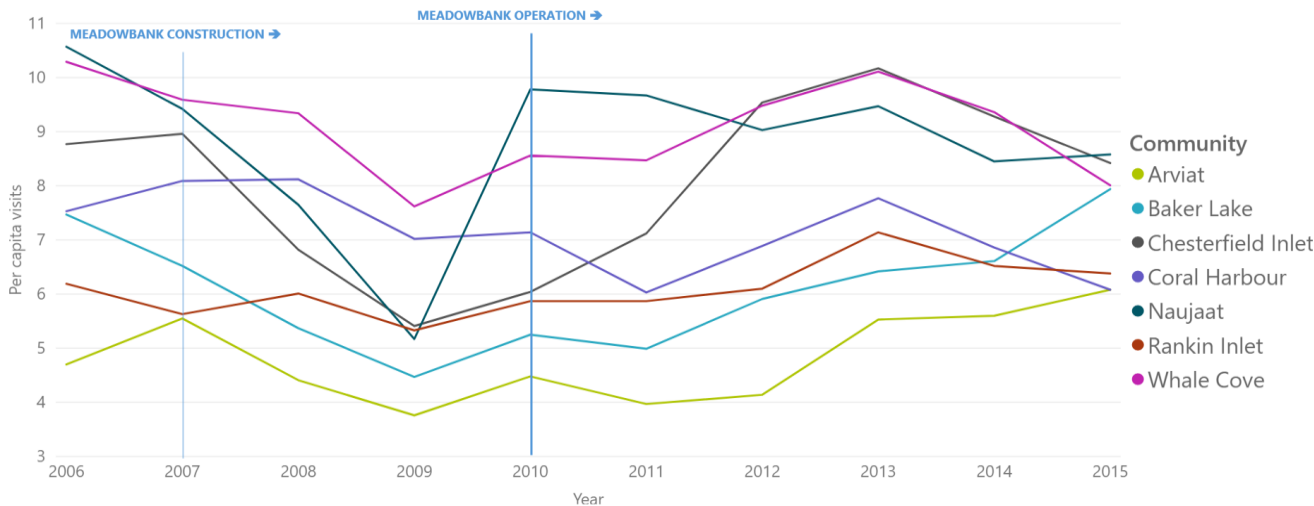
#### MELIADINE

“Project-induced in-migration may increase demand on health services” (Golder Associates, 2014, p. 1-C-58)

### Data & Trends

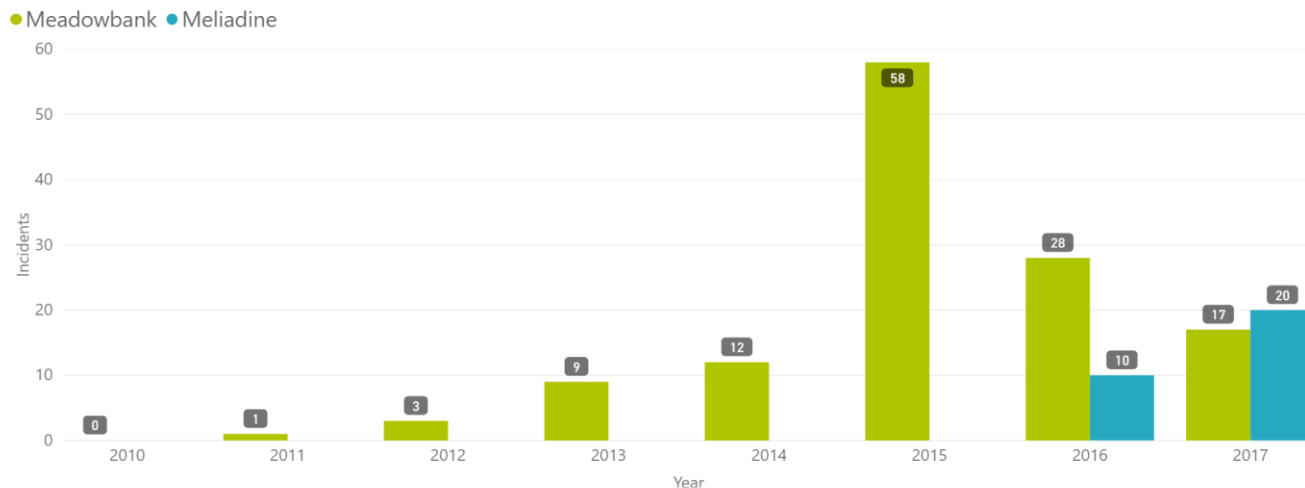
Chart 36 shows the number of per capita visits to community health centres in Kivalliq communities.

Chart 36. Kivalliq community health centre visits per capita



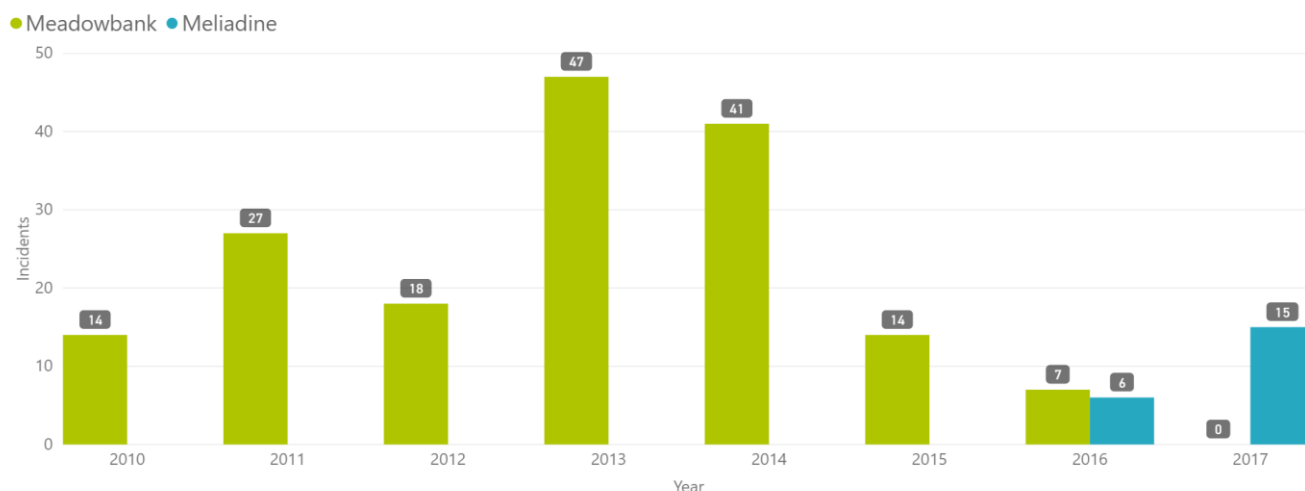
(Department of Health, 2017)

Chart 37. Persons transported from site to access health services (province & Nunavut)



(Agnico Eagle Mines, 2017)

Chart 38. Incidents requiring use of GN health services



(Agnico Eagle Mines, 2017)

## Interpretation

Most Kivalliq communities experienced steady or declining community health centre visits up to 2009. From 2009 to 2010, which coincides with Meadowbank's start-up and operation, per capita visits increased in every community except Coral Harbour. However, since 2010, per capita visits have remained relatively steady in most communities with the exception of Chesterfield Inlet and Baker Lake. While per capita visits increased slightly in Baker Lake from 2011 to 2013, the levels remain lower than 2006 and 2007 levels. In 2017, per capita visits increased in Arviat and Baker Lake, and decreased in Rankin Inlet.

Additional information on the reasons for health centre visits and client demographics may provide more insight on the reasons for changes observed in each community, including the noteworthy increase in Chesterfield Inlet and potential linkages to the Meadowbank mine and/or other factors. Currently, this data alone does not indicate:

- whether a Meadowbank worker, on average, is a higher user of health care services than other workers or unemployed people or if there is a counter effect where employees use on-site medical services in lieu of GN health services while on rotation; and

- to what extent these referrals are for work-related reasons.

From 2010 to 2015, there was a continuous increase in the number of persons transported from the site to access health services (provinces and Nunavut), from 0 in 2010 to 58 in 2015. This number has declined in recent years and was 17 persons transported in 2017.

From 2010 and 2016, there have been 7 to 47 incidents per year that have required GN Health Services. The number of these incidents peaked in 2013 and 2014, and have since declined significantly with zero incidents reported for 2017.

## 9.2 Use of public infrastructure

### Predictions

#### MEADOWBANK

“The impacts on social services and infrastructure, of low to medium magnitude, are considered largely positive in the medium term and of moderate significance. There is some potential for closure to have a negative impact on social service delivery.” (Cumberland Resources Ltd., 2006, p. 128)

#### MELIADINE

There are no specific predictions in the Meliadine FEIS regarding the use of public infrastructure.

### Data & Trends

The Meadowbank mine has dedicated energy, water, transportation (airstrip and road), health and communications infrastructure and is therefore largely non-reliant on the public physical infrastructure of Baker Lake. Areas of potential impact on public infrastructure include the use of Kivalliq community airports to transport Nunavut employees between their home communities and the mine site and the use of community meeting spaces for public engagement. The operation also uses the community barge landing facilities, which is located east of the hamlet. Travel through the hamlet is not required to transport sealift materials from the barge to the site.

The all-weather access road connecting Baker Lake to the Meadowbank mine (Meadowbank AWAR) was constructed and paid for by Agnico Eagle. Meadowbank controls traffic on this road, but it is accessible to community members to provide access to hunting trails and participate in traditional activities by snowmobile and ATV. The Meadowbank AWAR community use is measured at 2366 trips in 2015; 1874 in 2016 and 1716 in 2017.

The Meliadine mine also has its own dedicated energy, water and communications infrastructure as well as an on-site health clinic. However, unlike Meadowbank, the Meliadine may use local health care facilities in certain cases. Meliadine also uses community meeting spaces for public engagement. Regarding transportation infrastructure, Meliadine uses the Rankin Inlet airstrip for all employee transport, although the airport itself is not used for chartered flights. Meliadine also uses the community barge landing and boat launch area, with the location of this area is much more central in Rankin Inlet as compared to Baker Lake. Until October 2017, Agnico Eagle also used the community tank farm during the installment and commissioning of its own tanks.

The all-weather access road connecting Rankin Inlet to the Meliadine mine (Meliadine AWAR) was constructed and paid for by Agnico Eagle from kilometer 7, with the addition of a new bridge spanning Char River on the hamlet's section of road. In 2017 Agnico Eagle used the hamlet's roads from the barge lay-down area to kilometer 7, although Agnico Eagle's use of community roads will drop significantly once the by-pass road (currently in construction) is finished in 2018. Meliadine AWAR community use is not yet measured.

**2017 estimates of use of this infrastructure directly related to Meadowbank are as follows:**

- Use of Baker Lake Airport to access commercial flights (estimates not available)
- Barges received in Baker Lake 9 vessels for 87 000 m<sup>3</sup> (or 4 full vessels)
- Use of Baker Lake Community Centre: Between 5 and 10 times per year
- Use of other Nunavut airports to access commercial/chartered flights: Between 2000 and 3000 times per year (passenger trips)

**2017 estimates of use of infrastructure directly related to Meliadine are as follows:**

- Use of Rankin Airport to access commercial flights (estimates not available)
- Use of Rankin Inlet airstrip for cargo and passengers: 196 flights
- Barges received in Rankin Inlet: 13 vessels for 176 000 m<sup>3</sup> (or 8.5 full vessels)
- Use of Rankin Inlet Community Hall (estimates not available)
- Use of the community boat launch area for barge landings (estimates not available)
- Use of the hamlet roads to transport goods from the barge to the operations (estimates not available)
- Use of community tank farm during commissioning of Agnico Eagle tank farm (estimates not available)

Available numbers represent best estimates, and do not include use of infrastructure by employees while they are not actively travelling for work related purposes (personal travel) or while they are doing non-work-related activities.

## **Interpretation**

The use of public physical infrastructure by Meadowbank and its employees consists primarily of the use of airports and has been relatively consistent since operation began in 2010. There are no indications of significant positive or negative impacts on this infrastructure.

There is greater use of public infrastructure in Rankin Inlet from Meliadine than in Baker Lake from Meadowbank. This is largely due to the use of the Rankin Inlet airstrip, local roads (as the bypass road has not yet been completed) and the relatively central location of the community boat launch area for barge landings as compared to Baker lake. There are no indications of significant positive or negative impacts on this infrastructure.

## **9.3 Social assistance**

### **Predictions**

#### **MEADOWBANK**

"The impacts on social services and infrastructure, of low to medium magnitude, are considered largely positive in the medium term and of moderate significance. There is some potential for closure to have a negative impact on social service delivery." (Cumberland Resources Ltd., 2006, p. 128)

#### **MELIADINE**

"Project will also contribute to a better standard of living for the residents of the region as well as reducing dependence on social assistance programs" (Golder Associates, 2014, p. 1-xlviii)

### **Data & Trends**

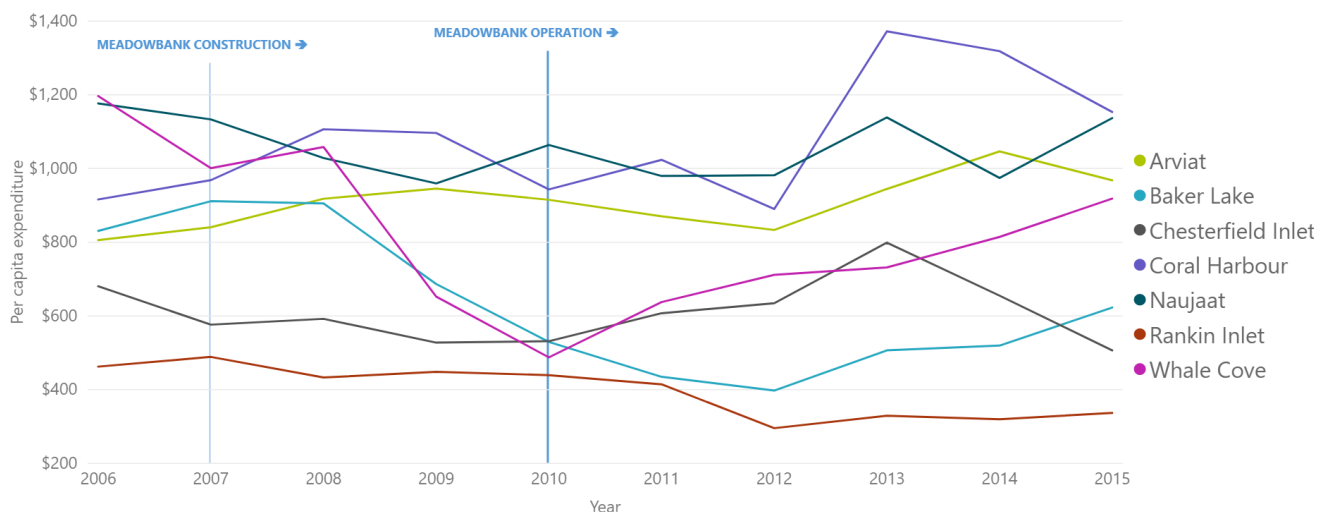
Chart 39 and Chart 40 show social assistance expenditures (in dollars) and the Department of Family Services' social assistance case load (# of cases) by Kivalliq community over time. Data for 2016 and 2017 are not available for either metric at the time of writing this report.

The following definitions are used in interpreting the charts below:

- 1) **Social Assistance** or income support is a program of last resort for Nunavummiut who, because of inability to obtain employment, loss of principal family provider, illness, disability, age or any other cause cannot provide adequately for themselves and their dependents. Social assistance is provided by the Government of Nunavut in the form of monthly financial payments to help individuals meet a minimum standard of living. All residents of Nunavut between the ages of 18 and 59 can apply for social assistance.
- 2) **Expenditures** are payments to social assistance recipients for food, shelter, utilities and fuel. This financial support is calculated to meet the basic needs of recipients and their dependents.
- 3) **Caseloads** refers to a single family receiving social assistance from the Department of Family Services

The Department of Family Services, Government of Nunavut, notes that it uses reasonable efforts to provide accurate and up-to-date information, but that some of the information provided is gathered manually and as a result may not be completely accurate. Since the year 2000, the social assistance program has been delivered without an electronic case management system.

*Chart 39. Per capita social assistance expenditures by community*

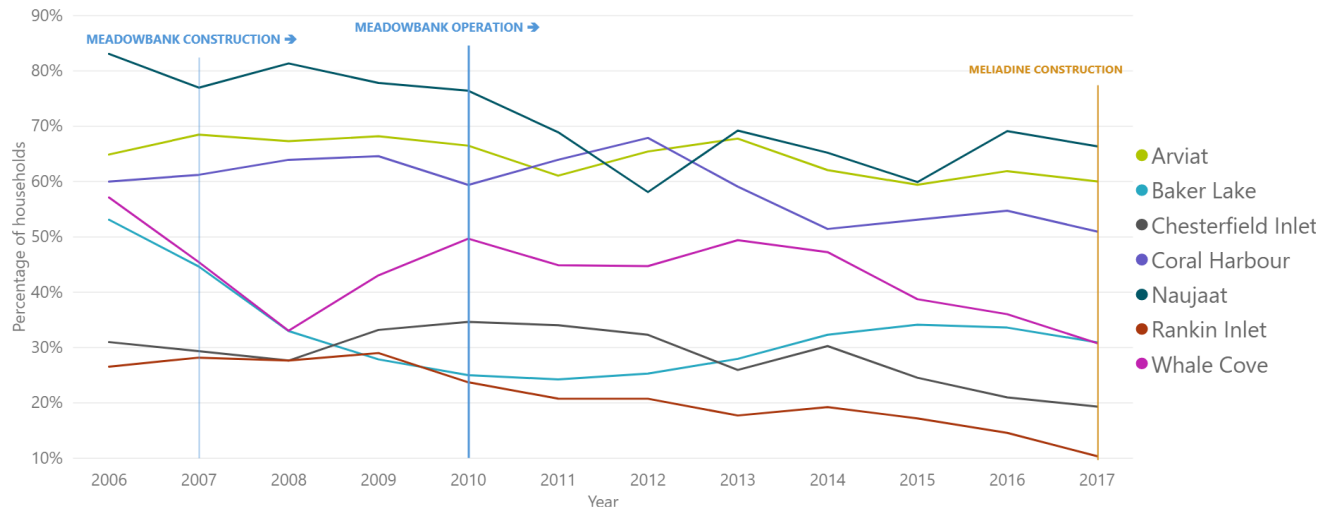


(Department of Family Services, 2018; Statistics Canada, 2011a; Statistics Canada, 2016a; Statistics Canada, 2006a)

### **A note on methodology**

Caseload refers to the number of households receiving social assistance. The percentage of households in a community receiving social assistance was determined by dividing the average monthly caseload by the estimated number of households. The number of households is based on 'private dwellings occupied by usual residents' as reported in the census. Data from the 2006, 2010, and 2016 censuses were used, interpolating the number of households for intervening years by assuming a constant rate of change between censuses, and extrapolating the number of households for 2017 using the rate of change from the previous 5 years.

Chart 40. Percentage of households receiving social assistance by community



(Department of Family Services, 2017)

## Interpretation

Per capita social assistance expenditures began to increase in 2010-2011 for several communities (including Baker Lake and Arviat) following a period of declining or steady expenditure in earlier years, including a notable decline in 2007/08 coinciding with construction starting at Meadowbank. There has been a continuous increase in expenditures for Baker Lake since 2011, while those of Rankin Inlet have remained relatively constant. However, per capita expenditures in both Baker Lake and Rankin Inlet are lower in 2015 than historic high levels prior to 2007/08.

For the Kivalliq region as a whole, per capita social assistance expenditures decreased gradually from 2007 to 2011, rose significantly in 2012, and have remained stable since then at a level (~\$750) that is slightly lower than what it was in 2007 and 2006 (~\$800).

The percentage of households receiving social assistance in Baker Lake declined significantly between 2006 and 2011, from 54% to 24%, coinciding with construction at Meadowbank and the opening of the mine. The proportion households receiving social assistance increased gradually between 2011 and 2015 (from 24% to 34%) but has remained below 2007 levels. In 2015, Baker Lake had the third lowest percentage of households receiving social assistance in the region (after Rankin Inlet and Chesterfield Inlet).

Despite declines from historical highs, social assistance data does not show a clear correlation between Agnico-related employment and social assistance requirements in Baker Lake or Arviat. Data suggests that both expenditures and percentage of households receiving social assistance have been declining in Rankin Inlet since Meadowbank began operation.



# VSEC 10: Nunavut Economy

## IMPACT / GOAL STATEMENT

Increased economic activity (GDP) and benefits to Inuit organizations and the Government of Nunavut through royalties and taxes

## OVERARCHING FEIS PREDICTIONS

**Meadowbank:** “The economic impacts on the economy of Nunavut, of high magnitude, are positive over the medium term and of high significance, particularly during the construction phase.” (Cumberland Resources Ltd., 2006, p. 129)

**Meliadine:** “The Project would add substantially to the income of government, e.g. through taxes and royalties. However, it will also lead to increased costs, since demand for various services will go up. Given that its fiscal burden (costs) will be smaller than the public revenues it generates, the Project would lead to a better fiscal position of all levels of government.” (Golder Associates, 2014, p. 1-C-52)

## TRENDS & INTERPRETATIONS

| Metric  | Meadowbank trends |          |           | Meliadine trends |           | Interpretation  |
|---|-------------------|----------|-----------|------------------|-----------|---|
|   | Pre-dev           | Post-dev | Last year | Pre-dev          | Last year |   |
| 10.1 Royalties and taxes  |                   |          |           |                  |           |   |
| Project compensation, royalties and taxes paid                    | N/A               | ↑        | ↑         | N/A              | ↑         | Cumulative project royalties, taxes and other payments paid by Agnico Eagle to the GN, GoC, NTL and KIA increased at both Meadowbank and Meliadine in 2017. At Meadowbank this is largely due to IIBA payments to the KIA following 2017 agreements. At Meliadine this is largely due to increases in payroll taxation following the onset of major construction.   |
| 10.2 Trade balance  |                   |          |           |                  |           |   |
| Nunavut trade balance   | ↓                 | ↑        | N/A       | ↑                | N/A       | Nunavut's net exports have increased steadily since 2008, following a dramatic increase in the trade deficit from 2006 to 2008 that was linked to the construction activities at Meadowbank. Since Meadowbank began operations in 2010, Nunavut's net exports have increased by approximately \$131M. No trend regarding the impacts of Meliadine on Nunavut's trade balance can be determined with the current available data. |
| 10.3 Nunavut GDP  |                   |          |           |                  |           |   |
| Nunavut GDP by all industries and mining, quarrying and oil & gas | ↑                 | ↑        | ↑         | N/A              | ↑         | Coinciding with Meadowbank becoming operational, Nunavut's GDP has grown at an average of 6% annually from 2009 to 2017. A sharp increase of 12% occurred in 2017.  |
| Nunavut GDP by all industries and mining, quarrying and oil & gas | ↓                 | ↑        | ↑         | N/A              | ↑         | According to the Conference Board of Canada, Meadowbank has been a driver of Nunavut's GDP growth, both during the construction of the mine and since production began in 2010. The 12% increase observed over the past year may in part be attributed to construction activities at Meliadine and Whale Tail, most notably a large increase in contract expenditures for the two construction projects.                        |

## Understanding the trends & interpretations table

| Time horizon  | Direction              | Value  |
|---|------------------------|--|
| <b>Pre-dev:</b> trend prior to the operation / construction phase of the project (2010 for Meadowbank; 2017 for Meliadine)  | ↑ Increasing           | ■ <b>Positive:</b> change in indicator towards the achievement of the desired impact or goal                   |
| <b>Post-dev:</b> trend from the onset of operation of Meadowbank (2010). As 2017 is the first year of major construction at Meliadine, post-development trends are not considered for the current reporting year. | ↓ Decreasing           | ■ <b>Negative:</b> change in indicator away from the achievement of the desired impact or goal                 |
| <b>Last year:</b> movement from 2016 to 2017  | → Remaining stable     | ■ <b>Neutral:</b> no observed change in indicator with regard to the achievement of the desired impact or goal |
|   | / No discernable trend |  |
|   | N/A Not applicable     |  |



## Existing Management and Mitigation

Maximizing benefits for the Nunavut economy is achieved through Agnico Eagle actions to maximize local employment and local contracting, and ensure community health, safety and well-being – as described under previous VSECs in this report.

### 10.1 Royalties and taxes

#### Predictions

##### MEADOWBANK

There are no predictions in the Meadowbank FEIS regarding royalties and taxes for Kivalliq, Nunavut or Canada.

##### MELIADINE

“Project would increase public revenues, e.g. through taxes and royalties. Total tax effects during construction might be \$27 million. The annual tax effect during operations might be \$21 million.” (Golder Associates, 2014, p. 1-C-47)

#### Data & Trends

Chart 41 below presents royalty, taxes and other payments paid by Agnico Eagle to the GN, GoC, NTI, and KIA.

Chart 41. Project payments, royalties and taxes paid

##### MEADOWBANK

|   | 2010          | 2011          | 2012          | 2013          | 2014          | 2015           | 2016           | 2017           | Total           |
|---|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|-----------------|
| GN payroll taxes GN (territorial taxes, WSCC) |               |               |               |               |               | \$3.4M         | \$2.9M         | \$2.8M         | \$9.1M          |
| GN property taxes                             | \$1.2M        | \$1.2M        | \$1.2M        | \$1.2M        | \$1.8M        | \$1.8M         | \$1.8M         | \$1.8M         | \$12.0M         |
| GoC payroll taxes (federal taxes, EI, CPP)    |               |               |               |               |               | \$30.9M        | \$31.3M        | \$30.4M        | \$92.6M         |
| KIA IIBA payments (Meadowbank 2017 IIBA)      |               |               |               |               |               |                |                | \$2.5M         | \$2.5M          |
| KIA IIBA payments (Whale Tail 2017 IIBA)      |               |               |               |               |               |                |                | \$6.5M         | \$6.5M          |
| KIA payments (2011 IIBA) (confidential)       |               |               |               | Confidential  |               |                |                |                |                 |
| KIA royalties (N/A until Whale Tail)          |               |               |               |               |               |                |                |                | \$0.0M          |
| NTI royalties (confidential)                  |               |               |               | Confidential  |               |                |                |                |                 |
| <b>Total</b>                                  | <b>\$1.2M</b> | <b>\$1.2M</b> | <b>\$1.2M</b> | <b>\$1.2M</b> | <b>\$1.8M</b> | <b>\$36.1M</b> | <b>\$36.0M</b> | <b>\$44.0M</b> | <b>\$122.7M</b> |

##### MELIADINE

|   | 2015          | 2016          | 2017          | Total          |
|---|---------------|---------------|---------------|----------------|
| GN payroll taxes GN (territorial taxes, WSCC) | \$0.3M        | \$0.2M        | \$0.5M        | \$0.9M         |
| GN property taxes                             |               |               |               | \$0.0M         |
| GoC payroll taxes (federal taxes, EI, CPP)    | \$1.3M        | \$1.6M        | \$5.4M        | \$8.4M         |
| KIA IIBA payments                             | \$1.5M        | \$1.5M        |               | \$3.0M         |
| KIA royalties                                 |               |               |               | \$0.0M         |
| NTI royalties (confidential)                  |               | Confidential  |               |                |
| <b>Total</b>                                  | <b>\$3.1M</b> | <b>\$3.3M</b> | <b>\$5.9M</b> | <b>\$12.3M</b> |

(Agnico Eagle Mines, 2017)

# Interpretation

Meadowbank’s payroll taxes paid to the federal government have held steady over the past three years at approximately \$30M. Unfortunately, data is not available prior to 2015, however, we would expect the taxation to remain commensurate to the FTEs at the site, which has remained relatively stable since 2011. Maxes paid to the GN have declined slightly over the same period from approximately \$3.4M in 2015 to \$2.8M in 2017.

Meliadine’s federal payroll taxes to rose by 238% to \$5.4M in 2017, commensurate with a similar rise in Agnico Eagle FTEs over the same period (223%). The total Agnico Eagle Meliadine payroll taxation in 2017 (both GoC and GN) was \$5.9M. While the construction tax effects predicted in the FEIS is \$27M, this number includes both contractor and Agnico Eagle employment. Contractor payroll and taxation data is unavailable; however, we can estimate the total taxation effect (from payroll) based on Agnico Eagle’s data and contractors FTE levels for 2017 at approximately \$28.7M<sup>8</sup>, just above the FEIS prediction. While this relies on a number of assumptions (most notably a similar level of compensation paid to both Agnico Eagle and contractor staff) it does provide an indication that the prediction is being met.

Given the location of the mine on Inuit Owned Lands, all resource royalties flow directly to NTI and the KIA as the Inuit authority. Compensation paid to KIA stems from Meadowbank, Meliadine and exploration activities. Due to confidentiality terms within the various agreements under which payments and royalties are made, not all data can be reported on.

## 10.2 Trade balance

### Predictions

#### MEADOWBANK

There are no predictions in the Meadowbank FEIS regarding trade balance in Nunavut.

#### MELIADINE

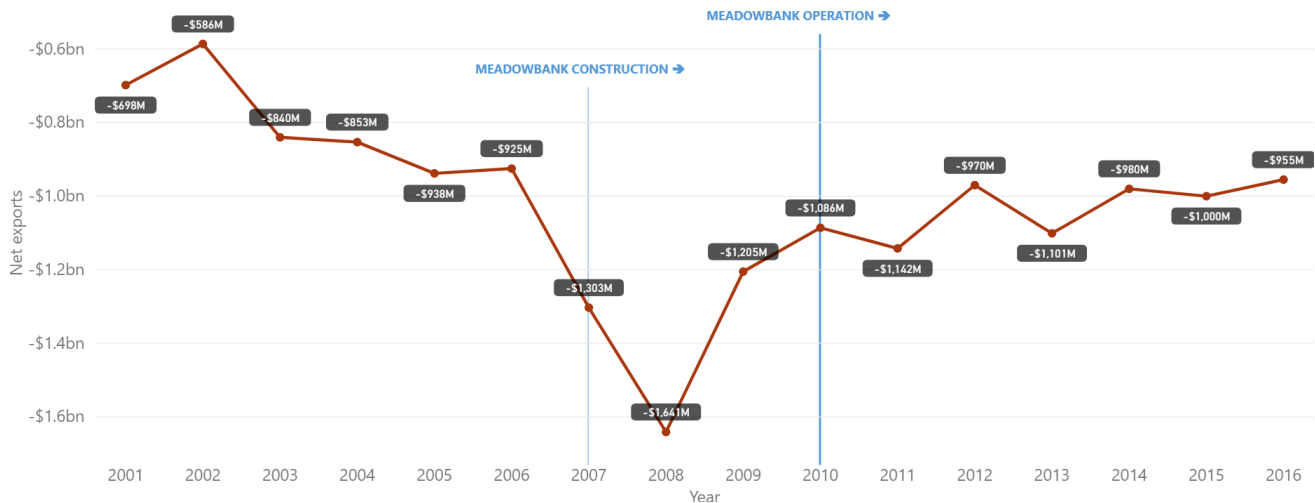
The Project will increase Nunavut's trade deficit to \$1866 million from the 2010 deficit of \$878 million (in 2002 dollars) during construction phase. (Golder Associates, 2014, p. 1-117)

### Data & Trends

Chart 42 depicts Nunavut’s trade balance from 2000 to 2016 in chained 2007 dollars. The trade balance is calculated by subtracting the value of total goods imports from total exports.

<sup>8</sup> Calculated by:  $\frac{\text{Contractor FTEs (2017)}}{\text{Agnico Eagle FTEs (2017)}} * \text{Agnico Eagle Payroll Taxes (2017)} + \text{Agnico Eagle Payrol Taxes (2017)}$

Chart 42. Nunavut trade balance



(Statistics Canada, 2016d)

## Interpretation

Between 2006 and 2008, Nunavut's trade deficit increased significantly by \$338M coinciding with major construction activities at Meadowbank. However, since Meadowbank began operations in 2010, Nunavut's net exports have increased by approximately \$131M, bringing the value to \$33M above the 2006 figure. There are no predictions in the Meadowbank FEIS regarding the project's potential impact on Nunavut's trade balance, however the Meliadine FEIS predicts that Meliadine will contribute to a large increase in Nunavut's trade deficit during construction phase (down to a deficit of \$1,866 million). No trend regarding Meliadine's impacts on the trade balance can be determined with the current available data.

## 10.3 Nunavut GDP

### Predictions

#### MEADOWBANK

"The results indicate that during the construction phase, the project would contribute \$120.3 M to the GDP of Nunavut ... During the operations phase, the annual contribution to GDP would be \$35.5M..." (Cumberland Resources, 2006, p. 119)

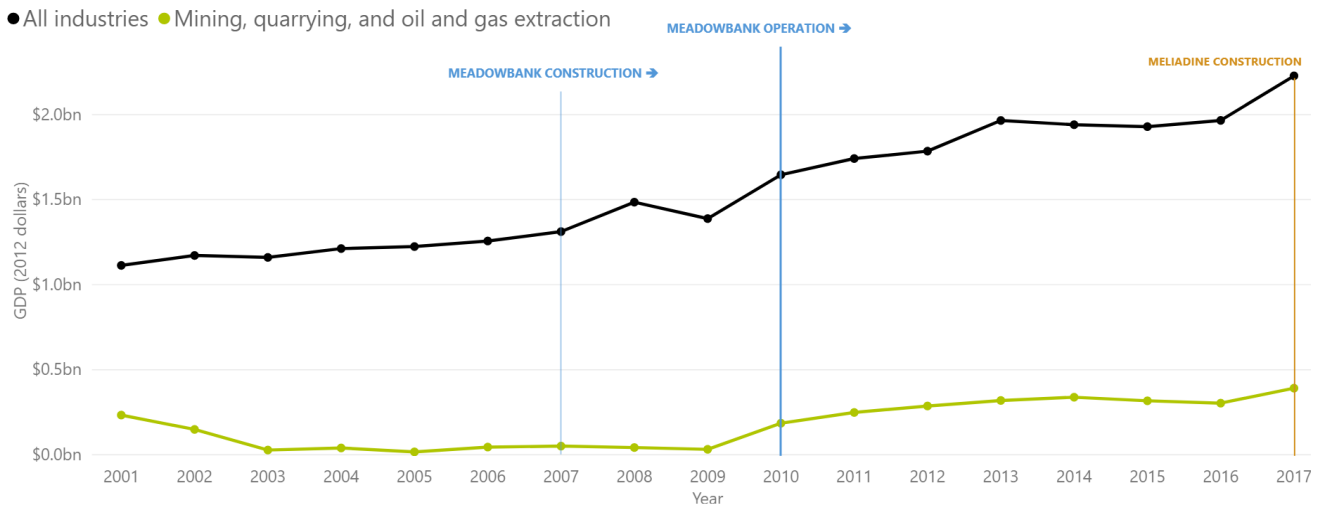
#### MELIADINE

"Investment and expenditures of [the] Project would temporarily expand the size of the economies of Nunavut and the Kivalliq region. Total effects during construction might be \$520 million. The annual effect during operations might be \$272 million." (Golder Associates, 2014, p. 1-C-47)

### Data & Trends

The following chart shows the value of Nunavut gross domestic product (GDP), in current prices, from 2000 to 2017.

Chart 43. Nunavut GDP by all industries and mining, quarrying and oil & gas



(Statistics Canada, 2017)

## Interpretation

Nunavut's GDP steadily increased from 2000 to 2008 at an average annual rate of approximately 4%. Following a decline in 2009 due to the global recession, a sharp increase was seen in 2010, when Meadowbank began production. Coinciding with Meadowbank becoming operational, Nunavut's GDP has grown at average annual rate of approximately 6% from 2009 to 2017. As seen in the chart above, the growth from 2009 onwards can largely be attributed to an increase in mining, quarrying and oil & gas activity. Given that Meadowbank was the only operating mine in Nunavut from 2010 to 2015 (Baffinland's Mary River Project began operations in 2015), the GDP growth data suggest that Meadowbank's contribution to GDP has exceeded the FEIS prediction. Mining industry GDP growth was relatively flat in 2013-2016, reflecting general business conditions in the industry. For Meadowbank, this has been a period of relatively stable operation and reduced total contract expenditures (as described under VSEC 3: Contracting and Business Opportunities). The increase in Nunavut's GDP (12%) in 2017 may in part be attributed to construction activities at Meliadine and Whale Tail, most notably a large increase in contract expenditures for the two construction projects.

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## Appendix A: Agnico Projects SEMP Terms of Reference



**AGNICO EAGLE MINES LIMITED (“AEM”) PROJECTS SOCIO-ECONOMIC MONITORING  
WORKING GROUP**

TERMS OF REFERENCE

**1 PURPOSE**

- 1.1 This document sets out the terms of reference (“Terms of Reference”) for the Socio-Economic Monitoring Working Group (the “Working Group”) for AEM Kivalliq Projects in its activities in relation to the Socio-Economic Monitoring Program (the “Program”) for AEM Kivalliq Projects. This Working Group aims to support the Kivalliq Socio-Economic Monitoring Committee (the “KvSEMC”) in its regional monitoring initiatives, and to support the Program. The Working Group will identify areas of mutual interest to the Parties and socio-economic monitoring priorities of the KvSEMC related to AEM’s projects in the Kivalliq region.
- 1.2 The purpose of the Program, from a socio-economic point of view, is described in Section 135 of the *Nunavut Planning and Project Assessment Act* (“NuPPAA”) and Article 12, Part 7 of the *Nunavut Land Claims Agreement* (“NLCA”), the relevant provisions of which provide as follows:

NuPPAA section 135(3):

*(a) measure the impact of the project on the ecosystemic and socio-economic environments of the designated area;*

...

*(d) assess the accuracy of the predictions contained in the project impact statement.*

NLCA section 12.7.2:

*(a) to measure the relevant effects of projects on.... socio-economic environments of the Nunavut Settlement Area;*

...

*(d) to assess the accuracy of the predictions contained in the project impacts statements.*

- 1.3 The establishment of the Working Group is to satisfy and to fulfil parts of the terms and conditions set out in the Meadowbank Project Certificate (PC004), the Meliadine Project Certificate (PC006), and the Whale Tail Project Certificate (00X) issued by the Nunavut Impact Review Board (the “NIRB”) in respect of AEM projects within the Kivalliq Region (the “Projects”) to the extent that these project certificates address socio-economic monitoring.

## **2 KvSEMC AND REGIONAL MONITORING BACKGROUND**

- 2.1 The KvSEMC is a forum for stakeholders to meet on an annual to semi-annual basis and present data, and consider socio-economic impacts and benefits of mining projects on the Kivalliq region.
- 2.2 The KvSEMC reviews the Program results annually, including the consideration of areas of mutual interest and socio-economic monitoring priorities as identified by the Working Group.
- 2.3 The KvSEMC supports a collaborative monitoring framework by providing data to support socio-economic impacts monitoring, recommending the prioritization of identified areas for monitoring and mitigation, and providing recommendations for areas of monitoring and mitigation that have yet to be identified.

## **3 WORKING GROUP MEMBERSHIP AND MEMBER ROLES AND RESPONSIBILITIES**

- 3.1 The Working Group consists of:
  - a. At least one AEM representative (who is chair of a meeting if it relates to Projects monitoring)
  - b. At least one Government of Nunavut representative (who is chair of a meeting if it relates to territorial monitoring); and
  - c. At least one Government of Canada representative.
- 3.2 Each member is responsible for the costs they incur to participate in activities of the Working Group.
- 3.3 AEM will:
  - a. identify indicators and share Project-specific data that relates to the Program;
  - b. participate in the collaborative analysis and interpretation of data for reporting purposes;
  - c. present for review the effectiveness of AEM's socio-economic mitigation measures; and
  - d. prepare and provide presentations summarizing annual Program report findings and conclusions for the KvSEMC.
- 3.4 The Government of Nunavut will:
  - a. identify indicators and share government-sourced data that relates to the Program and other KvSEMC reporting requirements;
  - b. participate in the collaborative analysis and interpretation of data for reporting purposes; and
  - c. review the effectiveness of AEM's socio-economic mitigation measures.

3.5 The Government of Canada will:

- a. identify indicators and share applicable socio-economic data from the Nunavut General Monitoring Plan;
- b. participate in the collaborative analysis and interpretation of data for reporting purposes; and
- c. review the effectiveness of AEM's socio-economic mitigation measures.

3.6 Collection, use, and disclosure of information and data under these Terms of Reference, by each member of the Working Group, is subject to any rules governing the collection, use, and disclosure of personal and/or confidential information and data, applicable to each member respectively, in accordance with the provisions of any privacy legislation or corporate policies. This obligation survives the dissolution of the Working Group and the existence of the Projects.

3.7 The Parties acknowledge that:

- a. AEM is best able to collect and provide data concerning workforce demographics, employment, training and procurement in relation to the Projects; and
- b. the Government of Nunavut and the Government of Canada are best able to collect and provide public statistics on general health and well-being, food security, demographics and other socio-economic indicators at the community and territorial level.

#### **4 WORKING GROUP MANDATE**

4.1 The Working Group aims to support the development of the Program framework and to undertake collaborative monitoring in order to identify and access data in relation to the Program. This data will be useful in improving the socio-economic performance of the Projects. Collaborative monitoring will involve combining Project-specific performance data with data generated or provided by other members of the Working Group in order to support adaptive-management measures implemented by the Working Group members and to minimize adverse effects and maximize benefits from the Projects.

4.2 The Working Group shall monitor the Program by analyzing the monitoring data in order to assess the accuracy of socio-economic impact predictions made in the final environmental impact statements of the Projects; assess the effectiveness of current practices to mitigate adverse effects and enhance positive effects of the Projects; obtain early warning should mitigation measures or measures to enhance positive effects not be achieving their intended outcome; and provide timely detection of unanticipated outcomes.

4.3 The Working Group aims to improve understanding of prioritized socio-economic issues in order to increase confidence in socio-economic assessment predictions.

- 4.4 The Working Group will provide monitoring data and objective analysis in a manner that is focused, efficient and cost-effective.

## **5 REPORTING AND COMMUNICATION**

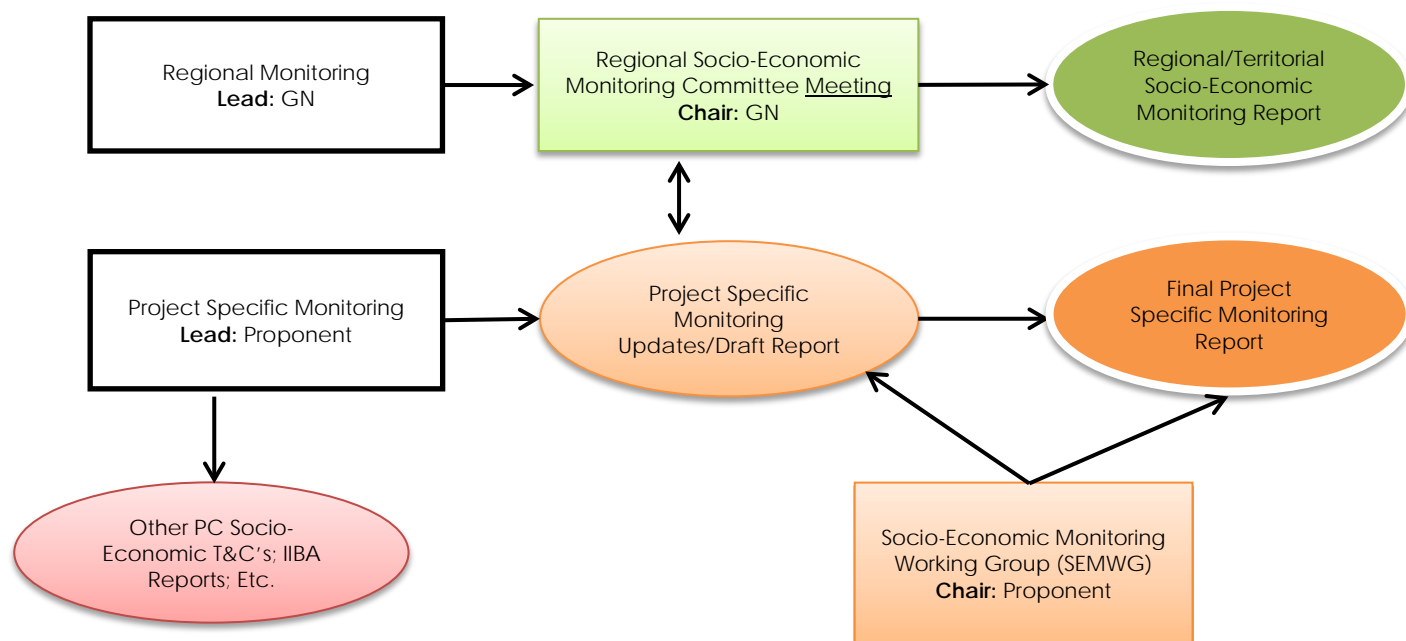
- 5.1 AEM will prepare an annual socio-economic report for the Projects (the “Program Report”) and provide the Program Report to the Working Group and the KvSEMC for review, prior to its submission to the NIRB. Annual Program Reports are due for submission to NIRB on June 30 of each year, containing data with respect to the previous calendar year (January to December) and presented at the Project- and regional-scale of operations. The Program Report will further describe AEM’s participation on the KvSEMC, other collaborative monitoring processes and any activities related to understanding socio-economic processes.
- 5.2 Annual reporting in respect of the Whale Tail project will only commence following the start of construction activities if AEM decides to proceed with the project after the issuance of a project certificate.
- 5.3 AEM will prepare and circulate a draft of the Program Report to the Working Group and KvSEMC for review prior to the KvSEMC meeting. The draft Program Report executive summary should be in plain language and translated for potential unilingual community representatives.

## **6 MEETINGS**

- 6.1 The Working Group will continue to meet for as long as there remains at least one (1) Project in the Kivalliq Region.
- 6.2 The Working Group will meet at least twice per year for the purposes of reviewing and providing direction on the development of the Program Report.
- 6.3 The Working Group will meet at least once a year for its members to engage in the analysis and interpretation of data to support the SEMC Report.
- 6.4 The meeting schedule may be changed if agreed to in writing by all members of the Working Group.
- 6.5 The Working Group will endeavor to meet face to face whenever practical. However, recognizing Nunavut’s unique logistical challenges and the competing deadlines involved in reporting, teleconferences and email circulation will also satisfy meeting requirements if agreed to in writing by all members.

## 7 RELATIONSHIP WITH REGIONAL AND TERRITORIAL MONITORING

7.1 The diagram outlines the relationship between Project-specific monitoring and regional/territorial monitoring, and its respective reporting requirements:



## 8 PROJECT CLOSURE

### 8.1 Mine Closure

AEM will consult the Working Group and KvSEMC two (2) years in advance of the expected date of closure for each Project in order to better inform project-specific socio-economic closure planning, and keep the Working Group and KvSEMC informed of the progress of planning leading up to the submission of the project-specific socio-economic closure plan, submitted under the final closure plan. Planning will detail specific measures that may mitigate, at least to some extent, the potential for negative effects as a result of Project closure.

### 8.2 Premature Mine Closure

In the event of premature (temporary or final) closure of the Project, AEM will consult with the Working Group and KvSEMC before submitting an updated Socio-Economic Management Plan to NIRB.

## **9 REVIEW OF TORS**

These Terms of Reference may be reviewed by the Working Group periodically for any required changes that may be applicable as Projects evolve from construction, through operations and closure. Similarly, as any other exploration or mine development activities of AEM are approved within the Kivalliq Region, these Terms of Reference shall be reviewed and amended as necessary to accommodate additional terms and conditions applicable to the Project that may be issued by NIRB as part of a project certificate(s). Any changes to the Terms of Reference will be in writing.