

BAFFINLAND IRON MINES  
Mary River Project

**LABOUR MARKET ANALYSIS**

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## SUMMARY

*Note: The initial Labour Market Report was prepared in the first half of 2013, prior to the decision to manage the project on a self-perform basis. Since that time, the report has been updated with estimated workforce numbers that reflect the new operating structure and the fact that construction of the Project will be done in-house and not through an EPCM Contractor. As with all mining Projects, the workforce numbers are fluid and can change over time depending on factors such as operating conditions, the mining plan and maintenance schedules.*

Despite the cyclical nature of the mining business, external research from many sources has consistently shown an anticipated shortage of employees over the coming years. Figures reported show that the Canadian mining industry, over the next ten years, may require more than 100,000 workers. In order to successfully recruit, retain and motivate a productive workforce, it will be necessary to engage what would traditionally be considered “under-represented” groups and make training, of both new and existing employees, a priority.

Baffinland, through its Human Resources Management Plan and the Inuit Impact Benefit Agreement will provide opportunities for Nunavut residents during the initial construction period and ongoing operations. In order to facilitate the training and hiring of a local workforce, Baffinland will develop and implement a specific recruitment strategy that will apply to direct hires and will support Baffinland contractors and sub-contractors in meeting Inuit employment goals. In addition to key recruitment initiatives, Baffinland has developed a “Work Ready” course that has been provided to North Baffin Inuit employees who have been hired to work at the Project, but have not yet initiated their on-site orientation.

Through workforce planning initiatives, Baffinland has identified the estimated number of employees required for construction and operations. The anticipated skill level required for each position has been assessed based on HRSDC’s Occupational Categories and these skill levels range from positions that require on-the-job training to those that require a university education.

There is very little external research available on talent availability or labour supply in the Canadian mining industry. As a result, Baffinland has based the labour supply estimates on current Mining Association of Canada statistics regarding the percentage of Canadians employed in the industry. These have been extrapolated to Baffinland for both construction and operations. Baffinland will hire locally, wherever possible, and for positions based in Nunavut, preference will be given to Inuit, followed by non-Inuit residents. There will be insufficient local residents available with the required skill levels, so employees will be sourced from the fly in/fly out hub of Waterloo, Ontario, followed by other locations across Canada. Positions at the corporate office will be filled by employees sourced from the Greater Toronto Area. It is anticipated that there will be sufficient employees available to fulfill all of the hiring needs, so it will not be necessary to source employees internationally.

## 1.0 CANADIAN MINING INDUSTRY

### 1.1 Canadian Mining Industry: General Mining Workforce Supply and Trends

In the past, the availability of a trained and qualified mining workforce was the exclusive concern of site based Human Resources (HR) professionals. However, as the demand for talent has increased and the availability of the supply has decreased, what were typically viewed as HR Department concerns, have become risks discussed by Operations and HR professionals together. PWC, in their report entitled *Junior Mine 2011 – Volatility, The New “Business as Usual”*, surveyed the top 100 mining companies on the TSXV and asked them “What is your company’s top challenge”? They note that almost 50% of the respondents stated that the availability of people was their greatest challenge. The mining industry, government organizations and industry associations have banded together to research, analyse and share trends in these areas. A sample of this information is presented here:

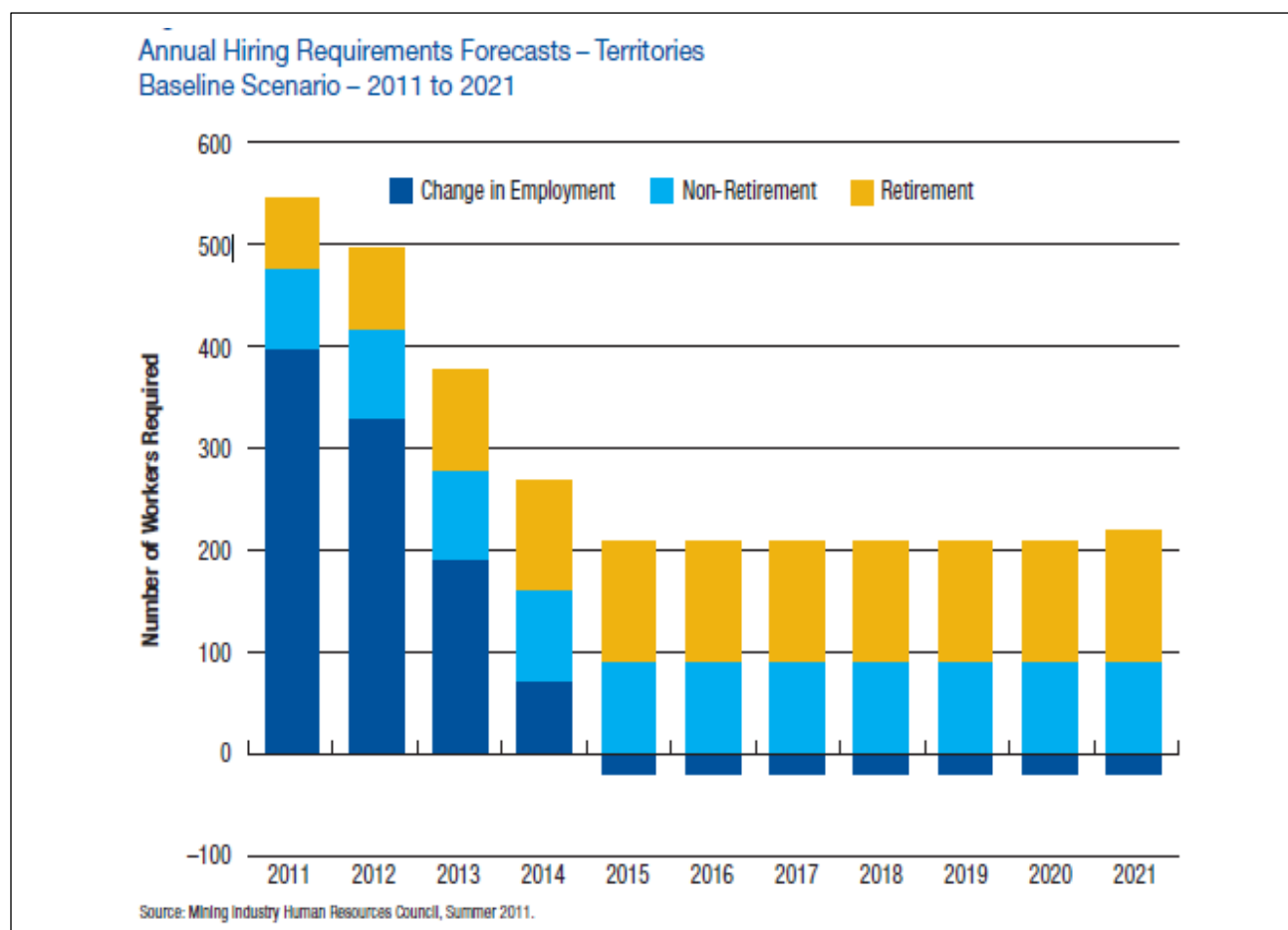
According to the Mining Association of Canada report entitled *F & F 2012 - Facts and Figures of the Canadian Mining Industry*:

- The Canadian mining industry employed 308,000 people in 2010 and provided one in every 55 Canadian jobs.
- Over the next decade, the industry will need 10,000 new workers each year to replace current positions and fill new vacancies.
- Mining provides the highest wages of all industrial sectors in Canada.

In 2011, the Mining Industry Human Resources Council, through a Project partially funded by the Government of Canada’s Sector Council Program, published a Mining Industry Workforce Information Network Report entitled *Canadian Mining Industry Employment and Hiring Forecasts 2011*. Highlights of this report include the following:

- It is anticipated that increases in labour productivity will result in a decrease in the total number of individuals employed in the mining industry over the next 10 years. However, by 2021, the demand for individuals is projected to be more than half of the current industry workforce due to anticipated retirements and historical rates of individuals leaving the industry.
- In a baseline scenario, the study predicts that, by 2021, overall employment in the industry will decline by 1,000 positions, however, it is anticipated that 67,080 individuals will retire and 45,940 individuals will leave the industry. Predicted cumulative hiring requirements in a baseline scenario are 41,650 employees in 2013, 64,900 employees in 2016 and 112,020 employees in 2021.
- Mining employment in the Territories (Nunavut, Northwest Territories and Yukon) was forecast to grow at an annual rate of approximately 1.1% between 2011 and 2012. Predicted cumulative hiring requirements in a baseline scenario are 1,890 employees in 2013, 3,010 employees in 2016 and 4,660 employees in 2021.

- Annual hiring requirements for the Territories are shown in the figure below:



Cumulative hiring requirements for 10 top mining occupations in the Territories for 2013, 2016 and 2021 are shown below:

**Cumulative Hiring Requirements of Top 10 Occupations in the Territories**  
By Scenario – 2013, 2016, 2021

TOP 10 OCCUPATIONS	CUMULATIVE HIRING REQUIREMENTS		
	2013	2016	2021
Heavy-equipment operators (except crane)	195	285	415
Underground production and development miners	105	150	220
Truck drivers	85	125	185
Production clerks	80	115	170
Mine labourers	60	85	125
Primary production managers (except agriculture)	55	75	115
Cooks	45	70	100
Geologists, geochemists and geophysicists	40	60	85
Geological and mineral technologists and technicians	35	50	70
Heavy-duty equipment mechanics	35	50	70

Source: Mining Industry Human Resources Council, Summer 2011.

In January, 2013, the Conference Board of Canada published the *Future of Mining in Canada's North - Economic Performance and Trends*. The report defines "Northerners" as those living in the northern extents of the seven provinces and the three territories. Key highlights include the following:

- With regard to the shortage of skilled labour, the report states that "The mining industry worldwide is facing an impending labour shortage, and Canada is not immune to this. Younger Canadians from all backgrounds are ignoring mining as a career option".
- It is estimated that, from 2011 – 2020, 17,000 Northerners will assume new mining jobs. If one factors in the spin off employment and the impact on retail and related industries, between 43,000 and 70,000 jobs will be created for Northerners.
- 21,136 Northerners were employed in metal and non-metallic mineral mining in 2011 and it is expected that the sector will gain an additional 16,930 jobs by 2020. The majority of these employees will be in trades occupations, and approximately 30% will work in management, professional and service-related occupations.
- 350 Nunavummiut were employed in mining in 2011 and by 2020, this number is expected to increase to 790.

## **1.2 Canadian Mining Industry - Additional Sources of Labour**

It is highly unlikely that Canadian mining companies will be able to staff up Projects and operations using a "poaching" approach. While traditional recruitment methods will be used to fill some vacancies, companies will need to look at alternate sources of labour and commit to innovative training programs in order to attract and retain a motivated workforce. The Conference Board of Canada's *Future of Mining in Canada's North - Economic Performance and Trends* states that "...mining companies must work to recruit and retain new workers and look to under-represented groups – such as women, new Canadians and Aboriginal Peoples – as potential sources of labour. Additionally, education and targeted training programs are needed to ensure that local populations are able to benefit fully from employment opportunities".

### **1.2.1 Aboriginals**

According to the Mining Association of Canada report entitled *F & F 2012 - Facts and Figures of the Canadian Mining Industry*:

- Aboriginal workers made up an estimated 7.5% of the mining workforce in 2006, up from 3.6% in 1996.
- According to the most recent census data, 4,515 Aboriginal people worked in the mining extraction sector in 2006, up 43% since 1996. Aboriginal workers made up an estimated 7.5% of the mining workforce in 2006, versus 3.6% in 1996. These numbers were roughly double the proportion of Aboriginal people in the overall Canadian workforce in those years.
- Over the same period (1996-2006), the number of Aboriginal mining workers in the Northwest Territories increased more than five-fold (from 100-560) as diamond mine development took hold. According to mine site data, Aboriginal employment reached 850 in 2008.
- The period saw similar increases in Aboriginal mining workers in Newfoundland and Labrador, British Columbia, Saskatchewan and Ontario.

The Canadian Chamber of Commerce (January 2013) stated in their report entitled: *Mining Capital: How Canada has transformed its resource endowment into a global competitive advantage* that:

*"A lack of skilled workers means that mines must often bring in workers from outside areas. However, given high rates of turnover and the difficulty of recruiting to remote locations, hiring local Aboriginal peoples with ties to the region is the preferred option for many mining*

*operations. Because most Aboriginal communities are located within 200 km of a mining operation or exploration property, they are a natural source for human resources to the Canadian mining sector. Aboriginal communities could also benefit from the high-paying jobs the sector has to offer. The key barriers to greater participation of Aboriginal peoples in the mining sector are the need for more training, a lack of awareness about the opportunities presented by the sector and the need to ensure that workplaces are inclusive of Aboriginal workers” (page 26).*

The Mining Industry Human Resources Council’s 2008 publication “Take Action for Diversity – Research Report” recommended that the following solutions could help remove barriers to Aboriginal employment:

- Cultural understanding
- Aboriginal expertise in HR
- Education about the industry and its opportunities
- Relationship-building with communities
- Making solutions region-specific
- Being “high touch” and flexible
- Considering strategic planning that identifies employment targets

### **1.2.2 Women**

Women in Mining (Canada)’s February 2010 report entitled “Ramp-Up: A Study on the Status of Women in Canada’s Mining and Exploration Sector” states that “At 14.4 per cent, the representation of women in mining and exploration is the lowest among primary industry categories in Canada. Steady improvements over the last decade have closed the gap, but this percentage remains well below the overall labour force average of 47.4 per cent. The wage gap between men and women is well above the national average”.

The Howe Group prepared a report in November 2011 entitled “Women: An Unmined Resource - A report on female participation within BC’s mineral exploration and mining industry”. They found that the female labour force participation rate in British Columbia was 61% across all industries, but was only 16% for the exploration and mining industry. Female participation in the fastest growing occupations of heavy equipment operator, tradesperson and labourers, was estimated at 5% or less.

The Mining Industry Human Resources Council’s 2008 publication “Take Action for Diversity – Research Report” recommended that the following solutions could help remove barriers to the employment of women:

- Scholarships to attract and recruit women; targeting recruitment efforts specifically to women; and tapping into external professional women’s networks.
- Supportive practices for advancement, including supervisor and senior leadership support; supportive colleagues and teams; professional development and training; and mentorship programs.

### **1.2.3 New Canadians**

The Mining Industry Human Resources Council’s 2008 publication “Take Action for Diversity – Research Report” identifies New Canadians as a potentially untapped source of labour for the mining industry. Solutions identified to engage this demographic group include: personalized recruitment processes, assistance with official credential recognition, assistance with the immigration process and cultural awareness training.

The 2012 Mining Industry Human Resources Council report entitled “British Columbia Hiring Requirements and Available Talent Forecast”, states that immigrant participation in mining remains lower than the rest of the labour force, with participation in mining (at the national level) at 12 %, versus 21% in all other sectors.

#### **1.2.4 Mature Workers**

In 2008, the Mining Industry Human Resources Council, through the Mining Industry Workforce Information Network, presented a report on labour demand projections to the B.C. Mineral Exploration and Mining Industry Labour Shortage Task Force. In this report, the Mining Industry Human Resources Council comments that the attraction of mature workers from other sectors could be a strategy to manage the mining skills shortage. Revision to pension and retirement programs, flexible work arrangements and seasonal employment are strategies that would help attract this demographic group.

#### **1.2.5 Workers from other Industries**

The Mining Industry Workforce Information Network’s “Report on the Labour Market Demand Projections” that was presented to the Saskatchewan Mining Association in 2008 states that industry must “Assess the potential of facilitating labour market transitions into the mining industry with a focus on forestry and farm workers with transferable skills”.

In 2008, the Mining Industry Human Resources Council introduced a new research Project called From Forestry to Mining (FF2M) that had the following objectives; 1) Facilitate the rapid transition of skilled workers from the downsizing forestry sector to in-demand occupations in mining; and 2) Develop Labour Market Transition resource kits for employers. A final study has not been published as of December, 2013.

The Muskoka, Nipissing, Parry Sound Local Training and Adjustment Board commissioned Precision Labour Focus to prepare a report entitled “Transitioning Forestry Workers into Mining: A Look at Northern Ontario” in 2008. Among the recommendations made were:

- Assist older workers in obtaining their Grade 12 equivalency and computer literacy.
- Assist experienced trades workers without certificates to obtain their licences.
- Assist older workers with re-training for second careers.
- Increase the number of common core training programs to reduce waiting lists.

## **2.0 MARY RIVER PROJECT**

### **2.1 Mary River Project**

It is anticipated that the Mary River Project will have an estimated total workforce of 410 employees when it commences operations and these employees will be based at both the corporate office in Oakville, Ontario and the operating sites and offices in Nunavut. The workforce requirements are estimates only and will vary over time due to factors such as operating conditions, the mining plan and maintenance schedules.

The Occupational Groups in the table below are broadly based on the HRSDC Occupational Categories and the following Skill Levels:

- Skill Level A: Occupations usually require university education
- Skill Level B: Occupations usually require college education or apprenticeship training
- Skill Level C: Occupations usually require secondary school and/or occupation-specific training
- Skill Level D: On-the-job training is usually provided for these occupations.



For the purpose of workforce planning for the Mary River Project:

- Management, engineering and geology positions generally fall into Skill Level A.
- Supervisory positions generally fall into Skill Level A or B.
- Administration, logistics, equipment operators and trades generally fall into Skill Level B or C.
- Labourers fall into Skill Level D.

**Table 1 - Estimated start up workforce based on location and occupational group.**

<b>Occupational Group</b>	<b>Mary River</b>	<b>Milne Inlet</b>	<b>Toronto</b>	<b>Other</b>	<b>Total</b>
Management	4	0	16	2	22
Engineering/Geology	9	0	1	0	10
Supervisory	45	19	7	4	75
Administration	5	4	4	8	21
Logistics	7	6	3	0	16
Trades	39	26	0	0	65
Equipment Operators	98	62	0	0	160
Labourers	25	16	0	0	41
<b>Total – Employees</b>	<b>232</b>	<b>133</b>	<b>31</b>	<b>14</b>	<b>410</b>

**Table 2: Estimated skill level and educational requirements for start-up workforce.**

<b>EDUCATION REQUIRED</b>	<b># of EMPLOYEES</b>
<b>Skill Level A</b> (University Education)	<b>32</b>
<b>Skill Level B</b> (College Education or Apprenticeship Training)	<b>177</b>
<b>Skill Level C</b> (Secondary School and/or Occupation-Specific Training)	<b>160</b>
<b>Skill Level D</b> (On-the-Job Training)	<b>41</b>
<b>TOTAL</b>	<b>410</b>

## 2.2 Mary River Project - IIBA and Resourcing

The Mary River Project will provide opportunities for Nunavut residents during the initial construction period and ongoing operations. Baffinland's ability to attract and retain a motivated workforce will be key to the long term success of the Project and it will be especially important to engage a local workforce, wherever possible.

In order to facilitate the training and hiring of a local workforce, Baffinland will develop and implement a specific recruitment strategy that will apply to direct hires and will support Baffinland contractors and sub-contractors in meeting Inuit employment goals. Inuit will be given preference over other applicants, with priority given to Inuit from the communities of Pond Inlet, Igloolik, Clyde River, Hall Beach and Arctic Bay. Specific details include:

- Whenever possible, Baffinland will hire Inuit at all levels of employment, from entry-level positions to senior management.
- Baffinland will ensure that job vacancies are posed in Pond Inlet, Arctic Bay, Clyde River, Hall Beach, Igloolik and Iqaluit as well as the Project site. If no qualified candidates are identified and hired within 28 days through this posting system Baffinland will recruit from wherever qualified staff can be hired, in keeping with the requirements of the IIBA. This may be waived in cases where no qualified Inuit are likely to be identified.
- Baffinland will advertise job opportunities in English and Inuktitut in postings or advertisements in the Baffin Island area.
- Baffinland will also, for the purposes of Inuit recruitment, establish a search/assessment database that:
  - Lists all Inuit candidates to identify individuals who are ready and qualified for jobs to be filled.
  - Track Inuit who are pursuing education and training to become job ready.
- When a position becomes available Baffinland's HR department will:
  - Compile a list of qualified candidates for review by the hiring manager.
  - Conduct pre-screening procedures, such as phone interviews with candidates identified with the hiring manager.
  - Assist the hiring manager with the interview process and prepare the employment paperwork for the successful candidate.
- To support employment of Inuit, Baffinland will also develop measures such as student employment to encourage Inuit to continue their education. Visits to schools and college campuses to promote the value of education and the opportunities available to educated individuals will be undertaken in the North Baffin.
- The IIBA Executive Committee will establish a Minimum Inuit Employment Goal (MIEG).
- Baffinland will require all contractors and subcontractors working on site to adopt a hiring policy consistent with Baffinland's Human Resources Management Plan and hiring commitments set out in the IIBA. It will also be stipulated in all tender packages that all contractors will comply with Baffinland's Human Resources and Employment Policy.

## 2.3 Mary River Project - Training Programs

In addition to the key recruitment initiatives outlined above, Baffinland has developed a two week “Work Ready” program that has been conducted in five designated North Baffin communities. The program was delivered in the communities by facilitator/trainers who were fluent in English and Inuktitut. Written materials, photos and videos were used. Course content included areas such as:

- Leadership;
- Working effectively – time management, “if you’re not sure, ask”;
- Working fly in/fly out – expectations and experiences;
- Communication styles – family, co-workers, your boss;
- Stress – kinds of stress (physiological, mental), recognizing the signs, managing;
- Money – new costs, expectations (personal & family), managing your finances;
- Conflict management – kinds of conflicts, recognizing it, difficult conversations;
- Preparation of individual “Personal Plans”
- Strategies for success – making it work for you, your children, your partner
- Other areas as identified by content providers.

## 2.4 Mary River Project - Local Labour Market and Baseline Study Information

The Baffinland Iron Mines Socio-Economic Baseline Report, prepared by Brubacher Development Strategies Inc. (December 2010), provides detailed information on topics such as population characteristics, community perspectives on work and statistical perspectives on the labour market. This information will not be repeated here, but it is important to note the following key points from the Project Definition Phase (2007-2009):

- Demand for wage employment in the study area is very high. One-in-five working-age residents in North Baffin, and one-in-six Iqaluit working-age residents applied for work with Qikiqtaaluk Logistics (QL) at some point during the three-year period between 2007 and 2009.
- A total of 1.3 million hours of fly-in/fly-out labour was delivered to the Project Definition Phase by 776 workers from across Canada. Of this labour, 0.4 million hours were provided by 265 North Baffin residents, and 212 residents of Iqaluit. Women accounted for 11% of the total number of people involved in the Project Definition Phase.
- Approximately four-in-six workers hired from North Baffin worked for at least three rotations of two weeks in, followed by two weeks back home (“two-in/two-out”). A substantial number of those hired, one-in-five, did not manage to complete one full fourteen day rotation. Among workers hired from Iqaluit, one-in-eight did not complete one full rotation.
- The Project Definition Phase did not “tap out” the labour force of the study area. Both the North Baffin and Iqaluit labour forces were able to continue supplying workers who had not previously worked at the Project.
- The QL applicant summary data indicated that of a job-seeking group of over 600 applicants, between 20% and 30% indicated either a Grade 12 diploma or an equivalent adult education diploma. Between 60% and 80% of the job-seeking population indicated they had Grade 10 or higher levels of education.

In the Socio-Economic Baseline Study prepared by Brubacher Development Strategies in 2010, Statistics Canada census data was used to examine the occupational skill levels in the local labour market. The research identified that during the week prior to the 2006 census enumeration:

- 21% of Iqaluit's labour force and 18% of North Baffin's labour force were engaged in occupations classified as usually requiring university education (Skill Level A).
- 25% of the labour force was engaged in occupations typically requiring college or apprenticeship training (Skill Level B).
- 30% of the labour force was engaged in occupations requiring high school and/or occupation-specific training (Skill Level C).
- 8% of Iqaluit's and 19% of North Baffin's labour force were engaged in occupations where on-the-job training was usually sufficient.

### **3.0 LABOUR MARKET TALENT AVAILABILITY**

#### **3.1 Background**

Since 2008, the Mining Industry Human Resources Council (MIHR) has been completing national and regional studies (in specific markets) on mining industry employment and hiring forecasts. While the number of employees required or the "demand" has been thoroughly examined, MIHR is just beginning to examine the talent availability or "supply" component of the analysis. This is something that MIHR will undertake in the coming years, along with a gap analysis between the talent required and the talent available.

Overall employment statistics for the Canadian mining industry are currently available. The Mining Association of Canada (F&F 2012 – Facts and Figures of the Canadian Mining Industry) states that "Total employment across the Canadian economy in 2010 averaged 17 million workers, with 4 million in the goods sector and 13 million in services. The mining industry employed 308,000 people, accounting for one in every 55 Canadian jobs". According to Statistics Canada, in 2010, there were almost 24 million Canadians aged 15 to 64. If the mining industry employed 308,000 people, then one in every 78 working-age Canadians was employed in the mining industry.

Baffinland will use these statistics to make general estimates regarding labour markets and talent availability for the workforce at the Mary River Project. The potential talent supply for each of the skill levels will range from: 1) Scenario 1 – one in 78 individuals; to 2) Scenario 2 – one in 55 individuals. While not an exact calculation, these scenarios will provide some objectivity to employment estimates.

Baffinland realizes that it will not be possible to hire an entire workforce with previous mining experience and it must find ways to attract employees to the industry. It will be necessary to educate potential employees about the benefits of a career in the mining industry, the realities of a rotational work schedule and the training opportunities available. The number of potential employees available will be a reflection of a multitude of factors, including attraction to the mining industry, desire to work on a fly in/fly out rotation, education levels, successful completion of training programs and the nature of the work itself.

The target labour markets will be the Local Study Area (North Baffin, Iqaluit and South Baffin), followed by locations in close proximity to the fly in/fly out hub of Waterloo, Ontario, and, if necessary, from other locations across Canada. Positions at the corporate office will be filled by employees sourced from the Greater Toronto Area. To be considered for employment, it is necessary that the individual have the basic skill level required for the position.

### 3.2 Estimated Demand and Potential Talent Availability by Skill Level

The following table shows the estimated number of positions required in Nunavut and the estimated number of positions required at the corporate office (demand). It also includes Statistics Canada census data from 2006 on the number of residents available in each of the target labour markets by skill level (talent availability).

**Table 3: The estimated number of positions and the number of residents by skill level.**

	<b>Skill Level A</b>	<b>Skill Level B</b>	<b>Skill Level C</b>	<b>Skill Level D</b>	<b>Total</b>
	University Education	College Education or Apprenticeship Training	Secondary School and/or Occupation Specific Training	On-the Job Training (no specific education required)	
<b>Demand:</b>					
Positions in Nunavut	11	168	158	41	<b>378</b>
Positions in Toronto	21	9	2	0	<b>32</b>
<b>TOTAL:</b>	<b>32</b>	<b>177</b>	<b>160</b>	<b>41</b>	<b>410</b>
<b>Residents aged 25 to 64 by Skill Level*</b>					
Local Labour - Inuit	265	1,315	460	2,915	4,955
Local Labour - Non Inuit	1,025	795	350	170	2,340
Toronto Labour	1,147,370	731,610	647,360	335,440	2,861,780
Waterloo Labour	68,785	81,790	68,330	40,380	259,285

\* The Inuit and non-Inuit data was obtained from Table 52 of the Baffinland Socio-Economic Baseline Report prepared by Brubacher Development Strategies Inc. (December 2010). The original source of the data was the Statistics Canada 2006 census. The information on the Toronto and Waterloo labour markets was also obtained from the Statistics Canada 2006 census.

### 3.3 Talent Availability by Skill Level and Labour Market for each Scenario

The following table shows the estimated number of potential employees available in each labour market by skill level (talent availability), under each of the two employment scenarios.

**Table 4: Estimated number of employees by skill level, labour market and employment scenario.**

	<b>Skill Level A</b>		<b>Skill Level B</b>		<b>Skill Level C</b>		<b>Skill Level D</b>	
	University Education		College Education or Apprenticeship Training		Secondary School and/or Occupation Specific Training		On-the Job Training (no specific education required)	
<b>Estimated Supply by Scenario*:</b>	<b>#1</b>	<b>#2</b>	<b>#1</b>	<b>#2</b>	<b>#1</b>	<b>#2</b>	<b>#1</b>	<b>#2</b>
Inuit:	3	5	17	24	6	8	37	53
Non- Inuit	13	19	10	15	5	6	2	3
Toronto	14,710	20,861	9,380	13,302	8,300	11,770	4,301	6,099
Waterloo	8,882	1,251	1,049	1,487	876	1,242	518	734

\*Scenario 1 assumes an employment ratio of "one in 78". Scenario 2 assumes an employment ratio of "one in 55", as described in Section 3.1 of this report.

The following table shows the estimated employment for each employment scenario by skill level and labour market.

**Table 5. Estimated employment for each scenario by skill level and labour market.**

<b>Estimated Employment</b>	<b>Skill Level A</b> University Education	<b>Skill Level B</b> College Education or Apprenticeship Training	<b>Skill Level C</b> Secondary School and/or Occupation Specific Training	<b>Skill Level D</b> On-the Job Training (no specific education required)	<b>Total</b>
<b>Scenario 1</b>					
Corporate Office (Toronto hires)	21	9	2	0	<b>32</b>
Inuit (local)	3	17	6	37	<b>63</b>
Non-Inuit (local)	8	10	5	2	<b>25</b>
Fly in/Fly out hub	0	141	147	2	<b>290</b>
<b>TOTAL</b>	<b>32</b>	<b>177</b>	<b>160</b>	<b>41</b>	<b>410</b>
<b>Scenario 2</b>					
Corporate Office (Toronto hires)	21	9	2	0	<b>32</b>
Inuit (local)	5	24	8	41	<b>78</b>
Non-Inuit (local)	6	15	6	0	<b>27</b>
Fly in/Fly out hub	0	129	144	0	<b>273</b>
<b>TOTAL</b>	<b>32</b>	<b>177</b>	<b>160</b>	<b>41</b>	<b>410</b>

### 3.5 Conclusion – Estimated Workforce Talent Availability

After a review of the Canadian Mining Industry workforce trends, a discussion of the Mary River Project estimated workforce demand and an analysis of labour market availability, a series of conclusions can be drawn about Workforce Talent Availability. More specifically:

- After preference is given to local Inuit and local non-Inuit employees, there will still be a requirement to source talent from a broader region.
- The remainder of the talent required can be sourced from the fly in/fly out hub of Waterloo, Ontario and from additional locations across Canada, if necessary.
- There will be sufficient talent available in the Greater Toronto Area to fill all of the corporate office positions.
- It will not be necessary to source employees internationally.

## 4.0 CONTRACTOR HUMAN RESOURCES

The Baffinland Inuit Human Resources Strategy includes commitments made under the Human Resources Management Plan (HRMP) and the Inuit Impact Benefit Agreement (IIBA). This includes commitments in the following four areas:

- Inuit Employment
- Training and Education
- Monitoring and Reporting
- Inuit Content in Contracts and Sub-contracts

### 4.1 Contractor Labour Demand and Supply

The logistics of the contractor workforce will be complex as there will be a variety of labour required and the skills required will range from labourer duties to specialized technical skills. Some of the contractor labour positions may be necessary throughout the life of the operations, while others may be short term assignments of specific duration.

The construction timetable and operations plan will govern the work that is required at any given point in time and the sequence of the individual work components. The number of contractors and skills required will be driven by the timetable and there may be quite a bit of variation. It is likely that these positions will be filled by a series of individuals who complete their own specialized part of the project and then move on so that other individuals can finish other specialized tasks in the sequence. As a result of this complexity, it is very difficult to predict the specific sources of such labour and variations are likely to be seen.

The target labour markets will be the Local Study Area (North Baffin, Iqaluit and South Baffin), followed by locations in close proximity to the fly in/fly out hub of Waterloo, Ontario, and, if necessary, from other locations across Canada. Similar to the conclusions made for the Baffinland Iron Mines workforce, it can be concluded that:

- After preference is given to local Inuit and local non-Inuit employees, there will still be a requirement to source talent from a broader region.
- The remainder of the talent required can be sourced from the fly in/fly out hub of Waterloo, Ontario and from additional locations across Canada, if necessary.
- It will not be necessary to source employees internationally.

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