

2018 Socio-Economic Monitoring Report for the Mary River Project

March 31, 2019

Prepared For:
Baffinland Iron Mines Corporation
2275 Upper Middle Road East, Suite 300
Oakville, Ontario
L6H 0C3

Jason Prno
CONSULTING SERVICES LTD

Report Contributors

This report has been prepared by Jason Prno (PhD) and Melissa Johnston (MA) of Jason Prno Consulting Services Ltd. on behalf of Baffinland Iron Mines Corporation. This report has been reviewed by Baffinland Iron Mines Corporation and may contain various company statements.

Suggested Citation

Jason Prno Consulting Services Ltd. 2019. *2018 Socio-Economic Monitoring Report for the Mary River Project*. Report prepared for Baffinland Iron Mines Corporation. March 31, 2019.

EXECUTIVE SUMMARY

This report has assessed the socio-economic performance of the Mary River Project in 2018, as well as Baffinland's compliance with various Project Certificate Terms and Conditions. Performance was assessed using socio-economic indicators and information for several Valued Socio-Economic Components (VSECs) included in the Final Environmental Impact Statement (EIS):

- Population demographics
- Education and training
- Livelihood and employment
- Contracting and business opportunities
- Human health and well-being
- Community infrastructure and public services
- Resources and land use
- Economic development and self-reliance
- Benefits, royalty, and taxation
- Governance and leadership

This report has identified various positive effects of the Project and presents information that is consistent with several EIS predictions. For example, 3.1 million hours of Project labour were performed by Baffinland employees and contractors in 2018, equal to approximately 1,529 full-time equivalent positions (FTEs). Of this total, 435,908 hours were worked by Inuit, representing approximately 216 FTEs. In addition, \$12.0 million in payroll was provided to Inuit employees in 2018. Some 72,041 hours of training were also completed, of which 34,629 hours (or 48.1%) were completed by Inuit. \$140.9 million was additionally spent on contracting with Inuit Firms in 2018.

Local Study Area (LSA) employment in 2018 was largely consistent with EIS predictions, although Iqaluit employment was somewhat less than predicted. There were also several Inuit employee departures noted. Baffinland has committed to continue addressing Inuit employee turnover in 2019 and working towards increased Inuit employment and contracting at the Project. Several initiatives are occurring in support of these efforts, including ongoing implementation of the Inuit Human Resources Strategy (IHRS) and Inuit Procurement and Contracting Strategy (IPCS) with the Qikiqtani Inuit Association (QIA). These documents describe goals and initiatives that will be used to increase Inuit employment and Inuit Firm contracting at the Project over time. In addition, Baffinland and the QIA renegotiated the Inuit Impact and Benefit Agreement (IIBA) for the Project in 2018 and several new employment and training commitments were established.

Furthermore, Baffinland and the QIA are partners in the \$19 million Qikiqtani Skills and Training for Employment Partnership (Q-STEP) program, which has been designed to provide Inuit with skills and qualifications to meet the employment needs of the Mary River Project as well as other employment opportunities in the region. The Program is funded in part by the Government of Canada. The Baffinland Apprenticeship Program, Morrisburg Heavy Equipment Operator Training Program, Work Ready Program, Inuit Internship Program, and other actions to meet the annual Minimum Inuit Employment Goals (MIEGs) established with the QIA may also assist with increasing Inuit employment over time.

In some cases, monitoring data have revealed unclear, inconsistent, or otherwise negative trends. Long-term monitoring will be necessary to track Project outcomes more fully over time and may contribute to

an improved understanding of observed trends and causality. However, no need has been identified to substantially modify Baffinland's existing management/mitigation approach at this time. Project benefits are being delivered and actions continue to be taken by the Company to address issues that have been identified. It is also likely some Project benefits will take time to be fully realized. Likewise, the negative trends observed for some monitoring indicators are not all necessarily due to the Project, and there is currently no direct evidence to suggest key EIS predictions are inaccurate (although additional monitoring may be necessary in some instances).

Where appropriate, trends have been described for indicators assessed in this report. These trends (i.e. pre-development, post-development, and since the previous year) demonstrate whether an indicator has exhibited change and describes the direction of that change. Trend analyses can be useful for assessing potential Project influences on an indicator. The table that follows summarizes the information and trends observed in 2018 relative to previous years.

2018 Socio-Economic Monitoring Reporting Summary for Baffinland Iron Mines Corporation's Mary River Project

VSEC	Indicator / Topic	Pre-Development Trend	Post-Development Trend	Trend Since Previous Year	Scale	Summary
Population Demographics	Known in-migrations of non-Inuit Project employees and contractors	Not applicable	↑	↑	North Baffin LSA	Since 2015, a net of one known non-Inuit employee/contractor has in-migrated to the North Baffin LSA.
	In-migration of non-Inuit to the North Baffin LSA	Not available	Not available	Not available	North Baffin LSA	Limited government data are currently available. However, the percentage of Inuit vs. non-Inuit residents in the North Baffin LSA has remained relatively constant.
	Known out-migrations of Inuit Project employees and contractors	Not applicable	↑	↑	North Baffin LSA	Since 2015, a net of 13 known Inuit employees/contractors have out-migrated from the North Baffin LSA.
	Out-migration of Inuit from the North Baffin LSA	Not available	Not available	Not available	North Baffin LSA	Limited government data are currently available. However, the percentage of Inuit vs. non-Inuit residents in the North Baffin LSA has remained relatively constant.
	Population estimates	↑ ↑	↑ ↑	↑ ↑	North Baffin LSA Iqaluit	Population numbers continue to increase across the territory.
	Nunavut net migration	↑	↓	↑	Territory	A decreasing post-development trend in Nunavut annual net migration is currently occurring.
	Employee and contractor changes of address, housing status, and migration intentions	Not applicable	Not applicable	Not applicable	Project	5.4% of respondents to the 2019 Inuit Employee Survey changed residences in the past 12 months. 3.6% moved to a different community and 1.8% moved within their existing community. 13.8% planned to move to a different community in the next 12 months. 6.9% planned to move away from the North Baffin LSA. Data on the housing status of respondents were not collected in 2019 due to a survey administration error.
	Employee and contractor origin	Not applicable	Not applicable	Not applicable	Project	An average of 2,054 individuals worked on the Project in 2018, of which 315 were Inuit (by headcount). Most of the Project's Inuit employees and contractors were based in LSA communities. Most of the Project's non-Inuit employees and contractors were based in Canadian locations outside of Nunavut.
Education and Training	Participation in pre-employment training	Not applicable	↑	↑	Project	A new Work Ready Program was delivered in local communities in 2018 and had 59 graduates. Since 2012, there have been 336 graduates of Baffinland pre-employment training programs.
	Number of secondary school graduates	↑ ↑	↓ ↓	↑ ↓	North Baffin LSA Iqaluit	A decreasing post-development trend in graduation numbers is apparent in the LSA, which was not evident prior to the Project.
	Secondary school graduation rate	↑	↓	↑	Region	A decreasing post-development trend in graduation rates is apparent in the region, which was not evident prior to the Project.
	Investments in school-based initiatives	Not applicable	↑	No change	Project	Investments continued to be made in school-based initiatives in 2018. These included laptop donations to secondary school graduates, scholarships, a school lunch program, and a donation to Nunavut Arctic College's Environmental Technology Program.
	Hours of training completed by Inuit employees and contractors	Not applicable	↑	↑	Project	Inuit received 34,629 hours of training in 2018 and a total of 50,496 training hours since Project development.
	Types of training provided to Inuit employees and contractors	Not applicable	↑	No change	Project	Inuit continue to receive various forms of Project-related training.
	Apprenticeships and other opportunities	Not applicable	↑	↑	Project	Concluding 2018, 9 Inuit apprentices were employed in the Apprenticeship Program. 4 Inuit summer students were also hired in 2018.
	Employee education and pre-employment status	Not applicable	Not applicable	Not applicable	Project	57.4% of 2019 Inuit Employee Survey respondents had less than a high school education, 19.7% had a high school diploma or equivalent, and 23.0% of respondents had higher than a high school diploma or equivalent. 26.6% resigned from a previous job in order to take up employment with the Project and 0.0% suspended or discontinued their education because they were hired to work at the Project.
Livelihood and Employment	Hours of Project labour performed	Not applicable	↑	↑	Project	3,081,740 hours of labour were performed in 2018 and 11,919,376 hours of labour have been performed since Project development.
	Project hours worked by LSA employees and contractors	Not applicable	↑ ↑	↑ ↑	North Baffin LSA Iqaluit	287,040 hours of labour were performed by North Baffin LSA residents (9.3% of total) and 92,916 hours of labour were performed by Iqaluit residents (3.0% of total) in 2018.
	Inuit employee promotions	Not applicable	↑	↑	Project	6 Inuit employee promotions occurred in 2018.
	Inuit employee turnover	Not applicable	↑	↓	Project	There were 45 Inuit employee departures in 2018, equal to an approximate Inuit employee turnover rate of 30%. 22 Inuit were also rehired by Baffinland in 2018.
	Hours worked by female employees and contractors	Not applicable	↑	↑	Project	226,080 hours were worked by female employees and contractors in 2018 (7.3% of total), 121,378 hours of which were worked by Inuit females (3.9% of total).
	Childcare availability and costs	Not available	Not available	Not available	Project	This topic continues to be tracked through the QSEMC process and community engagement conducted for the Project.
Contracting and Business Opportunities	Value of contracting with Inuit Firms	Not applicable	↑	↓	Project	Baffinland awarded \$140.9 million in contracts to Inuit Firms in 2018; a total of \$960.0 million has been awarded to Inuit Firms since Project development.
	LSA Inuit employee payroll amounts	Not applicable	↑	↑	Project	Approximately \$10.1 million in payroll was provided to LSA Inuit residents in 2018. Since 2014, Baffinland has provided approximately \$45.2 million in payroll to its Inuit employees.
	Number of registered Inuit Firms in the LSA	Not available	↑ ↑	↑ ↑	North Baffin LSA Iqaluit	There were 51 NTI-registered Inuit Firms in the North Baffin LSA and 121 in Iqaluit in 2018.
Human Health and Well-Being	Number of youth charged	↓ ↓	↓ ↓	↓ ↓	North Baffin LSA Iqaluit	A decreasing post-development trend in the number of youth charged is apparent in the LSA and was evident prior to the Project.

VSEC	Indicator / Topic	Pre-Development Trend	Post-Development Trend	Trend Since Previous Year	Scale	Summary
	Proportion of taxfilers with employment income	↓ ↑	↓ ↓	↑ ↑	North Baffin LSA Iqaluit	A decreasing post-development trend in the proportion of taxfilers with employment income is apparent in the North Baffin LSA and was evident prior to the Project. A decreasing trend is also apparent in Iqaluit, which was not evident prior to the Project.
	Median employment income	↑ ↑	↑ ↑	↓ ↑	North Baffin LSA Iqaluit	An increasing post-development trend in median employment income is apparent in the LSA and was evident prior to the Project.
	Percentage of population receiving social assistance	↓ ↓	↓ ↓	↑ ↑	North Baffin LSA Iqaluit	A decreasing post-development trend in the percentage of the population receiving social assistance is apparent in the LSA and was evident prior to the Project.
	Number of drug and alcohol related contraband infractions at Project sites	Not applicable	↑	↑	Project	There were 28 drug and alcohol-related contraband infractions at Project sites in 2018.
	Number of impaired driving violations	↑ ↑	↑ ↓	↑ ↑	North Baffin LSA Iqaluit	An increasing post-development trend in the number of impaired driving violations is apparent in the North Baffin LSA and was evident prior to the Project. A decreasing trend is apparent in Iqaluit, which was not evident prior to the Project.
	Number of drug violations	↑ ↑	↓ ↓	↓ ↓	North Baffin LSA Iqaluit	A decreasing post-development trend in the number of drug violations is apparent in the LSA, which was not evident prior to the Project.
	Absence from the community during work rotation	Not available	Not available	Not available	Project	These topics continue to be tracked through the QSEMC process and community engagement conducted for the Project.
	Prevalence of gambling issues					
	Prevalence of family violence					
	Prevalence of marital problems					
	Rates of teenage pregnancy					
	Percent of health centre visits related to infectious diseases	↓ ↓	↑ ↓	↑ ↑	North Baffin LSA Iqaluit	An increasing post-development trend in the percent of health centre visits related to infectious diseases is apparent in the North Baffin LSA, which was not evident prior to the Project. A decreasing post-development trend is apparent in Iqaluit and was evident prior to the Project.
	Crime rate	↑ ↑	↑ ↓	↑ ↓	North Baffin LSA Iqaluit	An increasing post-development trend in crime rates is apparent in the North Baffin LSA and was evident prior to the Project. A decreasing trend is apparent in Iqaluit, which was not evident prior to the Project.
Number of times Baffinland's Employee and Family Assistance Program (EFAP) is accessed	Not applicable	↑	↑	Project	The EFAP was accessed 41 times in 2018; 15 of these were by Nunavummiut.	
Community Infrastructure and Public Services	Number of Project employees and contractors who left positions in their community	Not applicable	Not applicable	Not applicable	Project	The 2019 Inuit Employee Survey indicated 17 individuals (or 26.6% of respondents) resigned from a previous job in order to take up employment with the Project. Of these, 9 were in casual/part-time positions and 7 were in full-time positions.
	Number of health centre visits (total)	↑ ↑	↑ ↑	↓ ↓	North Baffin LSA Iqaluit	An increasing post-development trend in the total number of health centre visits is apparent in the LSA and was evident prior to the Project.
	Number of health centre visits (per capita)	↑ ↑	↑ ↑	↓ ↓	North Baffin LSA Iqaluit	An increasing post-development trend in the per capita number of health centre visits is apparent in the LSA and was evident prior to the Project.
	Number of visits to Project site medic	Not applicable	↑	↓	Project	There were 6,301 visits to the Project site medic in 2018; 1,315 of these were by Inuit.
	Baffinland use of LSA community infrastructure	Not applicable	↑	No change	Project	Baffinland continued to use some LSA community infrastructure to support ongoing Project development in 2018.
	Number of Project aircraft movements at LSA community airports	Not applicable	↑	↑	Project	There were 1,802 Project aircraft movements at LSA airports in 2018.
Resources and Land Use	Number of recorded land use visitor person-days at Project sites	Not applicable	↑	↑	Project	There were 516 recorded land use visitor person-days at Project sites in 2018.
	Number of wildlife compensation fund claims	Not applicable	↑	No change	Project	One claim was submitted to QIA for review in 2017 and was approved. It resulted in compensation of \$14,200.00 being paid.
Economic Development and Self-Reliance	Project harvesting interactions and food security	Not available	Not available	Not available	Project	This topic continues to be tracked through the QSEMC process, community engagement conducted for the Project, and related information.
Benefits, Royalty, and Taxation	Payroll and corporate taxes paid by Baffinland to the territorial government	Not applicable	↑	↑	Project	Approximately \$5.1 million in employee payroll tax and \$5.9 million in fuel tax were paid to the GN in 2018.

Guide to Using the Table:

VSEC: Refers to 'Valued Socio-Economic Component' and includes a selection of VSECs assessed in the Mary River Project EIS.

Indicator: Indicators are an important aspect of socio-economic monitoring. Indicators are metrics used to measure and report on the condition and trend of a VSEC.

Trend: Refers to whether an indicator has exhibited change and describes the direction of that change. Black arrows (↑↓) indicate the direction of change that has occurred. Where there is no discernable or significant change 'No change' is used. Where there are insufficient data or other issues preventing a trend analysis, 'Not available' or 'Not applicable' are used. 'Pre-development trend' refers to the five-year period preceding Project construction (i.e. 2008 to 2012). In some cases, averaged data from this period have been compared against averaged data from previous years (i.e. 2003-2007, where available) to determine a trend. 'Post-development trend' refers to the period after Project construction commenced (i.e. 2013 onwards). Averaged data from this period may have also been compared against averaged data from the pre-development period to determine a trend. 'Trend since previous year' refers to the two most recent years in which indicator data are available.

Scale: 'Territory' refers to data that are available for Nunavut. 'Region' refers to data that are available for the Qikiqtaaluk Region. 'North Baffin LSA' refers to data that are available for the North Baffin Local Study Area communities of Arctic Bay, Clyde River, Hall Beach, Igloodik, and Pond Inlet.

'Project' refers to data that are available for the Mary River Project.

Summary: A brief description of the trend and/or related data.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	II
TABLE OF CONTENTS.....	VI
LIST OF TABLES	IX
LIST OF FIGURES.....	X
ABBREVIATIONS.....	XI
1. INTRODUCTION	1
1.1 MARY RIVER PROJECT OVERVIEW.....	1
1.2 SOCIO-ECONOMIC MONITORING REQUIREMENTS AND GUIDANCE.....	1
1.3 REPORT OBJECTIVES AND ORGANIZATION	3
2. METHODS.....	5
2.1 OVERVIEW.....	5
2.2 SOCIO-ECONOMIC MONITORING INDICATORS	6
2.3 DATA SOURCES	10
2.4 DATA LIMITATIONS	10
2.5 CHANGES SINCE PREVIOUS YEAR'S REPORT	12
3. POPULATION DEMOGRAPHICS	14
3.1 INDICATOR DATA AND ANALYSIS.....	14
3.1.1 Population Estimates and Nunavut Net Migration.....	14
3.1.2 Known In-Migrations of Non-Inuit Project Employees and Contractors and Known Out-Migrations of Inuit Project Employees and Contractors.....	16
3.1.3 In-Migration of Non-Inuit to the North Baffin LSA and Out-Migration of Inuit from the North Baffin LSA.....	18
3.1.4 Employee and Contractor Changes of Address, Housing Status, and Migration Intentions ..	18
3.1.5 Employee and Contractor Origin	21
3.2 EFFECTS AND COMPLIANCE ASSESSMENT.....	23
3.2.1 Effects Assessment.....	23
3.2.2 Compliance Assessment	24
4. EDUCATION AND TRAINING	26
4.1 INDICATOR DATA AND ANALYSIS.....	26
4.1.1 Participation in Pre-Employment Training.....	26
4.1.2 Number of Secondary School Graduates	26
4.1.3 Secondary School Graduation Rate	27
4.1.4 Investments in School-Based Initiatives	29
4.1.5 Hours of Training Completed by Inuit Employees and Contractors	29
4.1.6 Types of Training Provided to Inuit Employees and Contractors	30
4.1.7 Apprenticeships and Other Opportunities.....	32
4.1.8 Employee Education and Pre-Employment Status	32
4.2 EFFECTS AND COMPLIANCE ASSESSMENT.....	35

4.2.1	Effects Assessment.....	35
4.2.2	Compliance Assessment	37
5.	LIVELIHOOD AND EMPLOYMENT	38
5.1	INDICATOR DATA AND ANALYSIS.....	38
5.1.1	Hours of Project Labour Performed.....	38
5.1.2	Project Hours Worked by LSA Employees and Contractors.....	38
5.1.3	Inuit Employee Promotions	39
5.1.4	Inuit Employee Turnover	40
5.1.5	Hours Worked by Female Employees and Contractors.....	41
5.1.6	Childcare Availability and Costs	42
5.2	EFFECTS AND COMPLIANCE ASSESSMENT.....	44
5.2.1	Effects Assessment.....	44
5.2.2	Compliance Assessment	45
6.	CONTRACTING AND BUSINESS OPPORTUNITIES.....	47
6.1	INDICATOR DATA AND ANALYSIS.....	47
6.1.1	Value of Contracting with Inuit Firms	47
6.1.2	LSA Inuit Employee Payroll Amounts.....	48
6.1.3	Number of Registered Inuit Firms in the LSA.....	49
6.2	EFFECTS AND COMPLIANCE ASSESSMENT.....	50
6.2.1	Effects Assessment.....	50
6.2.2	Compliance Assessment	52
7.	HUMAN HEALTH AND WELL-BEING.....	53
7.1	INDICATOR DATA AND ANALYSIS.....	53
7.1.1	Number of Youth Charged	53
7.1.2	Proportion of Taxfilers with Employment Income and Median Employment Income.....	54
7.1.3	Percentage of Population Receiving Social Assistance	56
7.1.4	Number of Drug and Alcohol Related Contraband Infractions at Project Sites.....	58
7.1.5	Number of Impaired Driving Violations	58
7.1.6	Number of Drug Violations	60
7.1.7	Absence from the Community During Work Rotation.....	61
7.1.8	Prevalence of Gambling Issues	61
7.1.9	Prevalence of Family Violence	62
7.1.10	Prevalence of Marital Problems.....	62
7.1.11	Percent of Health Centre Visits Related to Infectious Diseases.....	64
7.1.12	Rates of Teenage Pregnancy.....	66
7.1.13	Crime Rate.....	67
7.1.14	Number of Times Baffinland’s EFAP is Accessed	68
7.2	EFFECTS AND COMPLIANCE ASSESSMENT.....	69
7.2.1	Effects Assessment.....	69
7.2.2	Compliance Assessment	71
8.	COMMUNITY INFRASTRUCTURE AND PUBLIC SERVICES.....	73
8.1	INDICATOR DATA AND ANALYSIS.....	73
8.1.1	Number of Project Employees and Contractors Who Left Positions in their Community..	73
8.1.2	Number of Health Centre Visits (Total and Per Capita)	73

8.1.3	Number of Visits to Project Site Medic.....	75
8.1.4	Baffinland Use of LSA Community Infrastructure.....	76
8.1.5	Number of Project Aircraft Movements at LSA Community Airports.....	77
8.2	EFFECTS AND COMPLIANCE ASSESSMENT.....	78
8.2.1	Effects Assessment.....	78
8.2.2	Compliance Assessment	79
9.	RESOURCES AND LAND USE.....	81
9.1	INDICATOR DATA AND ANALYSIS.....	81
9.1.1	Number of Recorded Land Use Visitor Person-Days at Project Sites	81
9.1.2	Number of Wildlife Compensation Fund Claims.....	82
9.2	EFFECTS AND COMPLIANCE ASSESSMENT.....	82
9.2.1	Effects Assessment.....	82
9.2.2	Compliance Assessment	84
10.	ECONOMIC DEVELOPMENT AND SELF-RELIANCE.....	85
10.1	INDICATOR DATA AND ANALYSIS.....	85
10.1.1	Project Harvesting Interactions and Food Security	85
10.2	EFFECTS AND COMPLIANCE ASSESSMENT.....	90
10.2.1	Effects Assessment.....	90
10.2.2	Compliance Assessment	90
11.	BENEFITS, ROYALTY, AND TAXATION	91
11.1	INDICATOR DATA AND ANALYSIS.....	91
11.1.1	Payroll and Corporate Taxes Paid by Baffinland to the Territorial Government.....	91
11.2	EFFECTS AND COMPLIANCE ASSESSMENT.....	91
11.2.1	Effects Assessment.....	91
11.2.2	Compliance Assessment	91
12.	GOVERNANCE AND LEADERSHIP.....	92
12.1	INDICATOR DATA AND ANALYSIS.....	92
12.2	EFFECTS AND COMPLIANCE ASSESSMENT.....	92
12.2.1	Effects Assessment.....	92
12.2.2	Compliance Assessment	92
13.	CONCLUDING REMARKS	93
13.1	SUMMARY.....	93
13.1.1	Report Summary	93
13.1.2	Summary of Regional and Cumulative Economic Effects	93
13.2	ADAPTIVE MANAGEMENT	94
14.	REFERENCES	96
	APPENDIX A: 2018 QSEMC & SEMWG MEETING MINUTES	102

LIST OF TABLES

Table 2-1: Socio-Economic Monitoring Indicators for the Mary River Project	7
Table 2-2: Key Changes Since Previous Year's Report	12
Table 3-1: 2017 Population Estimates	14
Table 3-2: Known In- and Out-Migration of Project Employees and Contractors in the North Baffin LSA (2015 to 2018)	18
Table 3-3: Changes in Inuit Employee and Contractor Residence and Community (2019 Inuit Employee Survey Results)	19
Table 3-4: Current Inuit Employee and Contractor Housing Status (2019 Inuit Employee Survey results)	20
Table 3-5: Inuit Employee and Contractor Migration Intentions (2019 Inuit Employee Survey results)	20
Table 3-6: Mary River Project Employees and Contractors by Origin and Ethnicity in 2018	22
Table 3-7: Effects Assessment for the Population Demographics VSEC	23
Table 3-8: Terms and Conditions for Monitoring the Population Demographics VSEC	24
Table 4-1: Secondary School Graduates (Averages for Selected Periods)	27
Table 4-2: Secondary School Graduation Rates (Averages for Selected Periods)	28
Table 4-3: Inuit Apprenticeships at the Project (2015 to 2018)	32
Table 4-4: Education Status (2019 Inuit Employee Survey results)	33
Table 4-5: Employment Status Prior to Project Employment (2019 Inuit Employee Survey results)	34
Table 4-6: Education Status Prior to Project Employment (2019 Inuit Employee Survey results)	34
Table 4-7: Effects Assessment for the Education and Training VSEC	35
Table 4-8: Terms and Conditions for Monitoring the Education and Training VSEC	37
Table 5-1: Hours of Project Labour Performed (2018)	39
Table 5-2: Baffinland Inuit Employee Promotions (2014 to 2018)	39
Table 5-3: Baffinland Employee Departures (2013 to 2018)	40
Table 5-4: Hours Worked by Project Employees and Contractors, by Ethnicity and Gender (2018)	41
Table 5-5: Effects Assessment for the Livelihood and Employment VSEC	44
Table 5-6: Terms and Conditions for Monitoring the Livelihood and Employment VSEC	45
Table 6-1: Effects Assessment for the Contracting and Business Opportunities VSEC	51
Table 7-1: Number of Youth Charged (Averages for Selected Periods)	54
Table 7-2: Proportion of Taxfilers with Employment Income (Averages for Selected Periods)	55
Table 7-3: Median Employment Income (Averages for Selected Periods)	56
Table 7-4: Percentage of Population Receiving Social Assistance (Averages for Selected Periods)	57
Table 7-5: Number of Impaired Driving Violations (Averages for Selected Periods)	59
Table 7-6: Number of Drug Violations (Averages for Selected Periods)	60
Table 7-7: Marital Status of Individuals 15 Years and Over (2011 and 2016)	64
Table 7-8: Percent of Health Centre Visits Related to Infectious Diseases (Averages for Selected Periods)	65
Table 7-9: Number of Violations per 100,000 Persons (Averages for Selected Periods)	68
Table 7-10: Number of Times Baffinland's EFAP is Accessed Annually (2015 to 2018)	69
Table 7-11: Effects Assessment for the Human Health and Well-Being VSEC	69
Table 7-12: Terms and Conditions for Monitoring the Human Health and Well-Being VSEC	71
Table 8-1: Total Number of Health Centre Visits (Averages for Selected Periods)	74
Table 8-2: Per Capita Number of Health Centre Visits (Averages for Selected Periods)	75
Table 8-3: Meetings and Events Held in LSA Communities (2018)	77
Table 8-4: Number of Project Aircraft Movements at LSA Community Airports (2014 to 2018)	78
Table 8-5: Effects Assessment for the Community Infrastructure and Public Services VSEC	78

Table 8-6: Terms and Conditions for Monitoring the Community Infrastructure and Public Services VSEC	79
Table 9-1: Effects Assessment for the Resources and Land Use VSEC	82
Table 10-1: Food Security Components and Baffinland’s Role	89
Table 10-2: Terms and Conditions for Monitoring the Economic Development and Self-Reliance VSEC	90
Table 11-1: Effects Assessment for the Benefits, Royalty, and Taxation VSEC	91
Table 12-1: Terms and Conditions for Monitoring the Governance and Leadership VSEC	92

LIST OF FIGURES

Figure 3-1: Total Population (2008 to 2017)	15
Figure 3-2: Percentage of Inuit Versus Non-Inuit Residents in the North Baffin LSA (2008 to 2016)	15
Figure 3-3: Nunavut Net Migration (2008/09 to 2017/18)	16
Figure 4-1: Secondary School Graduates (2008 to 2016)	27
Figure 4-2: Secondary School Graduation Rates (2008 to 2016)	28
Figure 4-3: Hours of Training Completed (2013 to 2018)	30
Figure 4-4: Types and Hours of Training Provided (2018)	31
Figure 5-1: Hours of Project Labour Performed (2013 to 2018)	38
Figure 5-2: Hours Worked by Female Project Employees and Contractors, by Ethnicity (2013 to 2018)	42
Figure 6-1: Contracting with Inuit Firms (2013 to 2018)	47
Figure 6-2: Baffinland LSA Inuit Employee Payroll, by Community (2018)	49
Figure 6-3: NTI Registered Inuit Firms in the LSA (2013 to 2018)	50
Figure 7-1: Number of Youth Charged (2008 to 2017)	53
Figure 7-2: Proportion of Taxfilers with Employment Income (2008 to 2015)	55
Figure 7-3: Median Employment Income (2008 to 2015)	56
Figure 7-4: Percentage of Population Receiving Social Assistance (2008 to 2017)	57
Figure 7-5: Number of Drug and Alcohol Related Contraband Infractions at Project Sites (2013 to 2018)	58
Figure 7-6: Number of Impaired Driving Violations (2008 to 2017)	59
Figure 7-7: Number of Drug Violations (2008 to 2017)	60
Figure 7-8: Percent of Health Centre Visits Related to Infectious Diseases (2008 to 2016)	65
Figure 7-9: Number of Violations per 100,000 Persons (2008 to 2017)	67
Figure 8-1: Total Number of Health Centre Visits (2008 to 2016)	74
Figure 8-2: Per Capita Number of Health Centre Visits (2008 to 2016)	75
Figure 8-3: Number of Visits to Project Site Medic (2013 to 2018)	76
Figure 9-1: Number of Recorded Land Use Visitor Person-Days at Project Sites (2013 to 2018)	81

ABBREVIATIONS

Baffinland	Baffinland Iron Mines Corporation
BCLO	Baffinland Community Liaison Officer
Company	Baffinland Iron Mines Corporation
EFAP	Employee and Family Assistance Program
ERP	Early Revenue Phase
ESDC	Employment and Social Development Canada
EIS	Final Environmental Impact Statement
FTE	Full-Time Equivalent
GDP	Gross Domestic Product
GED	General Education Diploma
GN	Government of Nunavut
HEO	Heavy Equipment Operator
HTO	Hunters and Trappers Organization
IHRS	Inuit Human Resources Strategy
IIBA	Inuit Impact and Benefit Agreement
INPK	Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat
IPCS	Inuit Procurement and Contracting Strategy
LSA	Local Study Area
MEWG	Marine Environment Working Group
MIEG	Minimum Inuit Employment Goal
MOU	Memorandum of Understanding
NBS	Nunavut Bureau of Statistics
NHC	Nunavut Housing Corporation
NIRB	Nunavut Impact Review Board
North Baffin LSA	The communities of Arctic Bay, Clyde River, Hall Beach, Igloolik, and Pond Inlet
NTI	Nunavut Tunngavik Incorporated
Post-Development	Period after Project construction commenced (i.e. 2013 onwards)
Pre-Development	Five-year period preceding Project construction (i.e. 2008 to 2012)
Project	Mary River Project
QIA	Qikiqtani Inuit Association
QSEMC	Qikiqtaaluk Socio-Economic Monitoring Committee
Q-STEP	Qikiqtani Skills and Training for Employment Partnership
RSA	Regional Study Area
SEMWG	Mary River Socio-Economic Monitoring Working Group
TEWG	Terrestrial Environment Working Group
TOR	Terms of Reference
VC	Valued Component
VEC	Valued Ecosystem Component
VSEC	Valued Socio-Economic Component
WCF	Wildlife Compensation Fund
Working Group	Mary River Socio-Economic Monitoring Working Group

1. INTRODUCTION

1.1 MARY RIVER PROJECT OVERVIEW

The Mary River Project (Project) is an operating open pit iron ore mine with associated project components that is owned and operated by Baffinland Iron Mines Corporation (Baffinland or the Company). The Project is located in the Qikiqtaaluk Region of Nunavut on northern Baffin Island. The mine site is located approximately 160 km south of Pond Inlet (Mittimatalik) and 1,000 km north of the territorial capital of Iqaluit.

The Project consists of three currently active main project locations - the Mine Site, the 100-km long Milne Inlet Tote Road, and Milne Port. The Project also includes a proposed railway and Steensby Port, both located to the south of the mine site. At the end of 2012, the Nunavut Impact Review Board (NIRB) issued Project Certificate No. 005 authorizing the construction, operation, and closure of an 18 million tonne per annum (Mt/a) operation which included a 149-km railway and year-round shipping of iron ore from a port facility at Steensby Inlet (Steensby Port). Mine construction began in 2013. An Inuit Impact and Benefit Agreement (IIBA) for the Project was also finalized between Baffinland and the Qikiqtani Inuit Association (QIA) in 2013; this agreement was subsequently renegotiated in 2018 (QIA and Baffinland 2018).

In 2013, Baffinland applied to the NIRB to amend its Project Certificate to allow for an Early Revenue Phase (ERP) operation, which included the additional production of up to 4.2 Mt/a of iron ore, ore haulage over the Milne Inlet Tote Road, and open water shipping of ore from Milne Port. On May 28, 2014, the NIRB issued an amended Project Certificate No. 005 approving the ERP. Mining of ore began in the last quarter of 2014 and the first shipment of ore occurred in the summer of 2015. The amended Project Certificate allowed for the future development of the 18 Mt/a railway operation, for a total combined production rate of 22.2 Mt/a. Baffinland applied to the NIRB again in 2018 to amend its Project Certificate to allow for an increase from 4.2 Mt/a to 6 Mt/a in the maximum volume of ore trucked from the mine site to Milne Port and shipped to market. On October 30, 2018, the NIRB issued an amended Project Certificate No. 005 approving this on a time limited basis (i.e. until the end of the 2019 shipping season).

On October 5, 2018, Baffinland submitted to the NIRB an EIS Addendum for the Phase 2 Proposal. The Phase 2 Proposal consists of an expansion of the 4.2 Mt/a ERP operation by 7.8 Mt/a to 12 Mt/a of ore. This ore will be transported to Milne Port by rail and then delivered to market over an expanded shipping season. The Phase 2 Proposal is part of Baffinland's approach to develop the Mary River Project in a phased and economically feasible manner. The NIRB has determined the EIS Addendum conforms to the EIS guidelines it issued and has initiated a public technical review process, expected to be completed sometime in 2019. Additional information on Baffinland's regulatory submissions and approvals can be found on the NIRB public registry: <http://www.nirb.ca/>.

1.2 SOCIO-ECONOMIC MONITORING REQUIREMENTS AND GUIDANCE

Project-specific socio-economic monitoring programs in Nunavut are generally expected to focus on two areas: 'effects monitoring' and 'compliance monitoring'. Effects monitoring keeps track of the socio-economic effects of a project to see if management plans are working or if any unexpected effects are occurring. Compliance monitoring ensures that proponents follow the terms and conditions of the licences, decisions, and certificates issued by authorizing agencies (NIRB 2013). This focus is

commensurate with socio-economic monitoring best-practice (e.g. Noble 2015; Vanclay et al. 2015) and can assist companies with achieving their sustainable development goals. Socio-economic monitoring also supports adaptive management, as findings can alert project proponents to the emergence of unanticipated effects and help initiate a management response. Furthermore, regular review of monitoring plans helps determine whether existing socio-economic indicators and monitoring methods remain appropriate (Vanclay et al. 2015).

Project-related socio-economic monitoring requirements originate from the Nunavut Agreement and NIRB Project Certificate No. 005. The Nunavut Agreement is a comprehensive land claims agreement signed in 1993 between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada. As a result of signing the Nunavut Agreement, Inuit exchanged Aboriginal title to all their traditional land in the Nunavut Settlement Area for a series of rights and benefits. The Nunavut Agreement also created various 'institutions of public government' such as the NIRB and established conditions for the review and oversight of resource development projects. Article 12, Part 7 of the Nunavut Agreement provides details on monitoring programs which may be required under a NIRB project certificate and notes the purpose of these programs shall be:

- (a) to measure the relevant effects of projects on the ecosystemic and socio-economic environments of the Nunavut Settlement Area;*
- (b) to determine whether and to what extent the land or resource use in question is carried out within the predetermined terms and conditions;*
- (c) to provide the information base necessary for agencies to enforce terms and conditions of land or resource use approvals; and*
- (d) to assess the accuracy of the predictions contained in the project impact statements.*

As noted previously, the NIRB issued the most recent amended Project Certificate No. 005 on October 30, 2018 (NIRB 2018a). NIRB (2018a) should be consulted for further information on the Terms and Conditions specific to socio-economic monitoring that were included in the Project Certificate, although the 'Compliance Assessment' sections of this report also contain information on this topic.

Some Terms and Conditions included in Project Certificate No. 005 relate to Baffinland's engagement with the Qikiqtaaluk Socio-Economic Monitoring Committee (QSEMC). The QSEMC is one of three regional socio-economic monitoring committees in Nunavut. These committees were established in 2007 to address project certificate requirements for project-specific monitoring programs and to create a discussion forum and information sharing hub that supports impacted communities and interested stakeholders to take part in monitoring efforts (SEMCs 2018a). Baffinland is actively involved in the QSEMC and regularly participates in its meetings. Most recently, Baffinland participated in the QSEMC's June 2018 meeting in Pangnirtung. A summary of this meeting can be found in Appendix A. Baffinland's responses to Project-specific action items/recommendations issued by the QSEMC can also be found in Appendix A.

The Mary River Socio-Economic Monitoring Working Group (SEMWG or Working Group) Terms of Reference (TOR) also provides guidance on Baffinland's socio-economic monitoring program. Baffinland, in addition to the Government of Nunavut, the Government of Canada, and the QIA, is a member of the SEMWG. The SEMWG is intended to support the QSEMC's regional monitoring initiatives through Project-specific socio-economic monitoring. The SEMWG also supports the fulfillment of Terms and Conditions set out in Project Certificate No. 005 that relate to socio-economic monitoring. The

SEMWG TOR has been included in Baffinland’s Socio-Economic Monitoring Plan (Baffinland 2018a).¹ It describes the Working Group’s purpose; membership and member roles; objectives; and reporting, communication, and meeting requirements. Furthermore, Section 4.1 of the TOR notes that Baffinland:

“...will prepare an annual socio-economic report, presenting performance data, to the Nunavut Impact Review Board for review...containing data on the indicators selected by the Working Group for the previous calendar year (January to December). These reports will further describe the Company’s participation in the [QSEMC], other collaborative monitoring processes and any activities related to better understanding of socio-economic processes.”

As established in the TOR, the Working Group members agreed that collaboration is required to effectively monitor the socio-economic performance of the Project. It was acknowledged that Baffinland is best able to collect and provide data concerning employment and training in relation to the Project, and the Government of Nunavut and the Government of Canada are best able to report public statistics on general health and well-being, food security, demographics, and other socio-economic indicators at the community and territorial level. The QIA was noted to be best able to provide information and data relating to Inuit land use and culture at the community and regional level. Baffinland is actively involved in the SEMWG and regularly participates in its meetings. Most recently, Baffinland met with the SEMWG in February (by teleconference) and June (in-person) 2018. A summary of these meetings can be found in Appendix A. Baffinland responded to all questions and comments directed to them at these meetings; no follow-up items were identified.

The Project’s Socio-Economic Monitoring Plan (Baffinland 2018a) was designed to help address Project-related socio-economic monitoring requirements and guidance associated with the Nunavut Agreement, NIRB Project Certificate No. 005, and SEMWG TOR, described above.² An annual monitoring report (i.e. this report) assists with the implementation of this Plan. Baffinland has been undertaking socio-economic monitoring for the Project since 2013. It took a stepwise approach to developing its socio-economic monitoring program, focusing its initial reporting on a small number of Valued Socio-Economic Components (VSECs) and indicators. A framework for this initial socio-economic monitoring program was described in the EIS (Baffinland 2012; Volume 4, Section 15). However, the program’s design has evolved significantly over time. This has been a result of lessons being learned, internal refinements to the program (and its indicators) being identified, and valuable feedback being obtained from monitoring stakeholders. Ongoing changes to this program have been described in Baffinland’s annual Socio-Economic Monitoring Reports. Baffinland has committed to continue to address its socio-economic monitoring requirements as the Project advances.

1.3 REPORT OBJECTIVES AND ORGANIZATION

This is the sixth annual Socio-Economic Monitoring Report prepared by Baffinland for the Project, which supersedes all previous reports. The content of this report is guided by the Project’s Socio-Economic Monitoring Plan (i.e. Baffinland 2018a). More specifically, this report will assess the socio-economic performance of the Project as it progresses from construction through operations and eventual closure.

¹ Baffinland worked with SEMWG members to revise the TOR in 2018. The existing TOR is somewhat dated (December 2012) and doesn’t fully reflect the current scope of Working Group activities. Revisions to the TOR are anticipated to be completed in 2019.

² Baffinland presented a revised Socio-Economic Monitoring Plan in the EIS Addendum for the Phase 2 Proposal in October 2018.

This report is intended to help accomplish the following objectives of the monitoring program identified in the Socio-Economic Monitoring Plan:

1. Evaluate the accuracy of selected socio-economic effect predictions presented in the Mary River Project EIS and identify any unanticipated effects.³
2. Identify areas where Baffinland's existing socio-economic mitigation and management programs may not be functioning as anticipated.
3. Assist regulatory and other agencies in evaluating Baffinland's compliance with socio-economic monitoring requirements for the Project.
4. Support adaptive management, by identifying potential areas for improvement in socio-economic monitoring and performance, where appropriate.

This report is organized in the following manner:

- Section 1 (i.e. this section) introduces the report and the scope of its contents.
- Section 2 describes the methods used in this report and how they support the findings that are provided.
- Sections 3 to 12 assess the socio-economic performance of VSECs included in the EIS.
- Section 13 provides a report summary, a summary of regional and cumulative economic effects, and comments on adaptive management for the Project.
- Appendix A includes meeting minutes from 2018 QSEMC and SEMWG meetings.

³ References to the Mary River Project EIS in this report include any subsequent addendums to the EIS that have been approved (i.e. had a Project Certificate issued) by the NIRB.

2. METHODS

2.1 OVERVIEW

This report is intended to assess the socio-economic performance of the Project on an annual basis. To help focus this assessment, monitoring indicators have been identified for VSECs in the EIS. Annually produced, community-level data have then been obtained in support of monitoring indicators where readily available. The analyses presented in this report generally focus on one of three spatial scales: The Local Study Area (LSA), Regional Study Area (RSA), or Project level. As identified in the EIS, the LSA includes the North Baffin point-of-hire communities of Arctic Bay, Clyde River, Hall Beach, Igloolik, and Pond Inlet, in addition to Iqaluit (which is also a point-of-hire). References to the 'North Baffin LSA' include all these communities but Iqaluit. In some cases, data for the North Baffin LSA communities have been aggregated to facilitate trend analyses in this report. The RSA includes the entire territory of Nunavut.

Following the presentation of available indicator data, relevant management and mitigation measures are discussed and an assessment of residual effects predicted to occur in the EIS is made. Structuring the report in this manner allows predictions to be evaluated against current monitoring data and provides insight into the effectiveness of existing mitigation measures. A compliance assessment of Project Certificate Terms and Conditions relevant to the monitoring of each VSEC is also presented. However, the status of other socio-economic Terms and Conditions unrelated to monitoring is discussed in Baffinland's Annual Report to the NIRB.

Indicator 'trends' are discussed throughout this report and describe whether an indicator has exhibited change (and the direction of that change). A 'pre-development' trend in this report refers to the five-year period preceding Project construction (i.e. 2008 to 2012). In some cases, averaged data from this period have been compared against averaged data from previous years (i.e. 2003-2007, where available) to determine a trend. Likewise, a 'post-development' trend refers to the period after Project construction commenced (i.e. 2013 onwards). Averaged data from this period may have also been compared against averaged data from the pre-development period to determine a trend. A trend 'since previous year' refers to the two most recent years in which indicator data are available. Available data and trends may then be assessed in the context of potential Project influences on the indicator(s) in question.

Where monitoring thresholds have been identified, available data are discussed in the context of these. For example, residual effects may be assessed against some of the key parameters predicted for them in the EIS, including direction (e.g. positive, negative) and where appropriate, magnitude.⁴ Furthermore, management action may be triggered if annual performance is observed to be below a monitoring threshold. Baffinland acknowledges threshold development has been otherwise limited to-date and additional monitoring thresholds may be developed in consultation with the SEMWG in the future. Opportunities may also exist to incorporate monitoring thresholds associated with the Project's IIBA, although this would be done in consultation with the QIA.

The process of socio-economic monitoring may require many years of data to effectively discern some trends and their causality. Even then, various factors (including non-Project ones) may influence causality, and these may not be easy to individually measure or confirm. Baffinland's monitoring

⁴ Effect magnitude is only assessed in this report where quantitative metrics were provided in the EIS.

program is not intended to describe the causes of every socio-economic change that is reported on. Rather, the program is intended to identify potential areas of socio-economic concern; once identified, these areas may benefit from additional examination or a management response. More generally, successful socio-economic monitoring for the Project will require appropriate long-term data, the regular input of Project stakeholders, and a focus on continuous improvement.

2.2 SOCIO-ECONOMIC MONITORING INDICATORS

Socio-economic monitoring indicators have been developed as part of the Project's Socio-Economic Monitoring Plan (Baffinland 2018a) and are presented in Table 2-1. 'Indicators' are an important aspect of socio-economic monitoring. Indicators are metrics used to measure and report on the condition and trend of a Valued Component (VC)⁵, and help facilitate the analysis of interactions between a project and a selected VC (BCEAO 2013). Indicators can also provide an early warning of potential adverse effects and are considered the most basic tools for analyzing change (Noble 2015). Table 2-1 presents indicators and data sources for VSECs assessed in the EIS; this includes indicators for VSEC-related residual effects and for topics requested through the Project Certificate.

The structure and content of Baffinland's socio-economic monitoring program may benefit from additional refinement in the future; suggestions from reviewers on how indicators and data sources could potentially be improved are welcome. It is further acknowledged that any significant changes to the socio-economic monitoring program require discussion with the SEMWG. Likewise, Table 2-1 includes several instances where indicators haven't been identified by Baffinland for various reasons (e.g. monitoring is already conducted elsewhere, no residual effects were identified in the EIS, insufficient data availability). In some additional cases, other forms of issue tracking will take place (e.g. through the QSEMC process or community engagement conducted for the Project). Should new indicators be required for these topics in the future, they will be selected in consultation with the SEMWG.

⁵ Valued Components are typically referred to as Valued Ecosystem Components (VECs) and Valued Socio-Economic Components (VSECs) in Nunavut.

Table 2-1: Socio-Economic Monitoring Indicators for the Mary River Project

VSEC	Residual Effect or Project Certificate Term and Condition	Topic	Indicator(s)	Data Source
Population Demographics	Residual Effect	In-migration of non-Inuit Project employees into the North Baffin LSA	Known in-migrations of non-Inuit Project employees and contractors	Baffinland
			In-migration of non-Inuit to the North Baffin LSA	Limited government data currently available
		Out-migration of Inuit residents from the North Baffin LSA	Known out-migrations of Inuit Project employees and contractors	Baffinland
			Out-migration of Inuit from the North Baffin LSA	Limited government data currently available
	Project Certificate Term and Condition	Demographic change	Population estimates	NBS
		Employee changes of address, housing status, and migration intentions	Nunavut net migration	NBS
Education and Training	Residual Effect	Improved life skills among young adults	Employee and contractor changes of address, housing status, and migration intentions	Baffinland (survey data)
			Employee and contractor origin	Baffinland
			Participation in pre-employment training	Baffinland
		Incentives related to school attendance and success	LSA employment and on-the-job training	Baffinland
			Number of secondary school graduates	NBS
			Secondary school graduation rate	NBS
	Opportunities to gain skills	Investments in school-based initiatives	Baffinland	
		Hours of training completed by Inuit employees and contractors	Baffinland	
		Types of training provided to Inuit employees and contractors	Baffinland	
		Apprenticeships and other opportunities	Baffinland	
Project Certificate Term and Condition	Employee education and pre-employment status	Employee education and pre-employment status	Baffinland (survey data)	
Livelihood and Employment	Residual Effect	Creation of jobs in the LSA	Hours of Project labour performed	Baffinland
		Employment of LSA residents	Project hours worked by LSA employees and contractors	Baffinland
		New career paths	LSA employment	Baffinland
			Inuit employee promotions	Baffinland
			Inuit employee turnover	Baffinland
	Project Certificate Term and Condition	Barriers to employment for women, specifically relating to childcare availability and costs	Hours worked by female employees and contractors	Baffinland
			Re: childcare availability and costs – Topic will continue to be tracked through the QSEMC process and community engagement conducted for the Project.	
Contracting and Business Opportunities	Residual Effect	Expanded market for business services to the Project	Value of contracting with Inuit Firms	Baffinland
		Expanded market for consumer goods and services	LSA Inuit employee payroll amounts	Baffinland
			Number of registered Inuit Firms in the LSA	NTI
Human Health and Well-Being	Residual Effect	Changes in parenting	Number of youth charged	Statistics Canada
		Household income and food security	Proportion of taxfilers with employment income and median employment income	NBS

VSEC	Residual Effect or Project Certificate Term and Condition	Topic	Indicator(s)	Data Source	
			Percentage of population receiving social assistance	NBS	
		Transport of substances through Project site	Number of drug and alcohol related contraband infractions at Project sites	Baffinland	
		Affordability of substances	Number of impaired driving violations Number of drug violations	NBS	
		Attitudes toward substances and addictions			
		Absence from the community during work rotation	Topic will continue to be tracked through the QSEMC process and community engagement conducted for the Project.		
	Project Certificate Term and Condition	Prevalence of substance abuse	N/A – Monitoring already conducted through other ‘human health and well-being’ indicators		
		Prevalence of gambling issues	Topics will continue to be tracked through the QSEMC process and community engagement conducted for the Project.		
		Prevalence of family violence			
		Prevalence of marital problems			
		Rates of teenage pregnancy			
		Rates of sexually transmitted infections and other communicable diseases	Percent of health centre visits related to infectious diseases	NBS	
		High school completion rates	N/A – Monitoring already conducted through other ‘education and training’ indicators		
	Other	Crime rate	NBS		
		Number of times Baffinland’s EFAP is accessed	Baffinland		
Community Infrastructure and Public Services	Residual Effect	Competition for skilled workers	Number of Project employees and contractors who left positions in their community	Baffinland (survey data)	
		Labour force capacity	Training and experience generated by the Project	Baffinland	
			Inuit employee turnover	Baffinland	
	Project Certificate Term and Condition	Pressures on existing health and social services provided by the GN that may be impacted by Project-related in-migration of employees ⁶	Number of health centre visits (total and per capita)	NBS	
		Project-related pressures on community infrastructure	Number of visits to Project site medic	Baffinland	
			Baffinland use of LSA community infrastructure	Baffinland	
		Number of Project aircraft movements at LSA community airports	Baffinland		
Cultural Resources	N/A	N/A	N/A – Monitoring already conducted through Archaeology Status Update Reports		
Resources and Land Use	Residual Effect	Caribou harvesting	N/A – Potential effects will continue to be tracked through Baffinland’s environmental monitoring programs. Terrestrial and marine monitoring are reviewed bi-annually by the Terrestrial Environment Working Group (TEWG) and Marine Environment Working Group (MEWG). While not all these effects were considered residual effects in Project EIS documents, they are included here for completeness.		
		Marine mammal harvesting			
		Fish harvesting			
		Safe travel around Eclipse Sound and Pond Inlet	Number of recorded land use visitor person-days at Project sites Number of wildlife compensation fund claims	Baffinland QIA	
		Safe travel through Milne Port			
		Emissions and noise disruption at camps			
		Sensory disturbances and safety along Milne Inlet Tote Road			
		Detour around mine site for safety and travel			

⁶ Additional indicators from this table may be relevant to this topic, including those related to migration, social assistance, and health centre visits related to infectious diseases.

VSEC	Residual Effect or Project Certificate Term and Condition	Topic	Indicator(s)	Data Source
		Difficulty and safety relating to railway crossing		
		Detour around Steensby Port		
		HTO cabin closures		
		Restriction of camping locations around Steensby Port		
Cultural Well-Being	N/A	N/A	N/A – No monitoring required. No residual effects identified in the EIS.	
Economic Development and Self-Reliance	Residual Effect	N/A	N/A – As noted in the EIS, an integrated assessment of other VECs/VSECs was conducted for the Economic Development and Self-Reliance VSEC. No new residual effects specific to this VSEC were identified. Relevant monitoring of residual effects is conducted through other VECs/VSECs.	
	Project Certificate Term and Condition	Project harvesting interactions and food security, which includes broad indicators of dietary habits	Topic will continue to be tracked through the QSEMC process, community engagement conducted for the Project, and related information.	
Benefits, Royalty, and Taxation	Residual Effect	Project revenues flowing to the territorial government	Payroll and corporate taxes paid by Baffinland to the territorial government	Baffinland
Governance and Leadership	N/A	N/A	N/A – No monitoring required. No residual effects identified in the EIS.	

2.3 DATA SOURCES

Data for this report have been obtained from Company, government, Inuit organization, and other sources. Data are presented in textual, graphical, or tabular formats, with a source identified for each. Company data sources include employment, training, and contracting records; and information obtained from other Project-related records and sources. Employment data (i.e. data on employee and contractor origin/headcount, Project hours worked) generally include employees and contractors who performed Nunavut-based Project work (primarily site-based, but may include Baffinland community-based or other positions), Baffinland positions identified in the IIBA, and Inuit apprentices/trainees. Otherwise, these data do not include individuals who worked on the Project outside of Nunavut, Baffinland corporate head office staff, or off-site contractors.

In addition, Baffinland has presented selected results from its Inuit Employee Survey. Baffinland Community Liaison Officers (BCLOs) were responsible for administering the 2019 Inuit Employee Survey from January 23rd to February 6th, 2019 in each of the North Baffin LSA communities. This was done by meeting incoming and outgoing Project flights at local airports as well as traveling throughout their communities to seek survey respondents who were off-rotation.

Government data have been obtained primarily from the Nunavut Bureau of Statistics, the Government of Nunavut's central statistical agency. The Nunavut Bureau of Statistics posts current Nunavut population data, economic data, labour force and employment data, social data, census data, and Nunavut Housing Survey data on its website (<http://www.stats.gov.nu.ca/en/home.aspx>) for the public to use. Some data have also been obtained from Statistics Canada, Nunavut Tunngavik Inc. (NTI), and other sources (e.g. QIA, federal government reports, third party groups such as mining associations).

In addition, the most recent QSEMC annual meeting report (i.e. SEMCs 2018b) has been reviewed for relevant data and insights. Results from community engagement conducted for the Project are also referenced in this report. This may include comments documented during the IIBA Annual Project Review Forum (e.g. Dicta Court Reporting Inc. 2018) or annual community consultations conducted by the NIRB on the Project's monitoring programs (e.g. NIRB 2018b). Information from these source documents has been recorded in a thematic database designed for the Project's socio-economic monitoring program.

2.4 DATA LIMITATIONS

Some data limitations with the Project's socio-economic monitoring program have been identified. Notably, appropriate government indicator data (e.g. annually produced, community-level statistics) are currently unavailable for some topics described in Table 2-1. As such, these topics continue to be tracked through the QSEMC process and community engagement conducted for the Project, or related information. Should new indicators be required for these topics in the future, they will be selected in consultation with the SEMWG.⁷ Topics for which data limitations currently exist include:

- In-migration of non-Inuit Project employees into the North Baffin LSA
- Out-migration of Inuit residents from the North Baffin LSA
- Barriers to employment for women, specifically relating to childcare availability and costs

⁷ It should be noted that, for several of these topics, Baffinland is not the only 'Responsible Party' identified in the Terms and Conditions they pertain to. Project Certificate No. 005 (i.e. NIRB 2018a) should be consulted for additional details.

- Absence from the community during work rotation
- Prevalence of gambling issues
- Prevalence of family violence
- Prevalence of marital problems
- Rates of teenage pregnancy
- Project harvesting interactions and food security, which includes broad indicators of dietary habits

Some historic (i.e. 2013 and 2014) Company data have also been drawn from previous socio-economic monitoring reports prepared for the Project (e.g. BDSI 2015). However, comparisons against some of these data should be made with a degree of caution. This is because the socio-economic data collection and analysis methods employed by Baffinland have changed in some instances.⁸ Furthermore, some historic Company data presented in this report are of a limited nature or reflect information that was only available for certain periods of time (due to ongoing development of Baffinland's data management systems).

Baffinland continues to refine its socio-economic data management and reporting systems. For example, improvements to the methods used for tracking employee attendance and hours worked continue to be investigated. Where Project-related data limitations or inconsistencies may exist, the aim is to present these data conservatively and/or identify these limitations where appropriate in this report. Data from all sources in this report are also presented for the most recent year that is currently available. Lag times in data availability exist for some data sources and current year data were not available in all instances.

Finally, some limitations with the 2019 Inuit Employee Survey have been identified. Foremost, planning challenges resulted in the survey only being offered in the North Baffin LSA communities in 2019; this resulted in no surveys being offered to Inuit who reside outside of those communities (e.g. Iqaluit or non-Nunavut communities). Any individuals who were away from their communities or otherwise unavailable would also not have been captured in the survey recruitment efforts.

Some completed surveys contained unanswered questions or unclear responses. Where survey answers were not provided or were unclear, results are presented in this report as 'unknown'. However, all survey respondents with 'unknown' ethnicities in 2019 were later confirmed to be Inuit by BCLOs and then changed to 'Inuit' for reporting purposes. Four surveys were also removed from the 2019 dataset. This includes one survey where the respondent identified themselves as 'non-Inuit', and three surveys that were not completed and/or appeared to be duplicative. Furthermore, a programming issue associated with a new survey administration technique in 2019 (i.e. tablet administration) resulted in responses to two survey questions (i.e. 'current community of residence' and 'current housing type') inadvertently defaulting to the first response option provided. This issue was not identified until after the data collection phase was complete but was partly rectified by using survey metadata to ascertain which community each survey was completed in (to answer the 'current community of residence' question). Unfortunately, data on current housing type were unable to be retrieved and are not included in this report.

⁸ Figures 5-1 and 5-2 include 2013 and 2014 data from BDSI (2015). However, comparisons against these data should be made with a degree of caution. This is because some calculation methods used by Baffinland have changed and some assumptions were historically made with regard to hours worked on the Project. Hours worked by non-Inuit in 2013 in Figure 5-2 also do not add up completely (i.e. 144 hours are unaccounted for), for unknown reasons.

A modified approach to calculating a survey response rate has been used. Namely, the number of completed surveys (71) was divided by the total number of Inuit employees/contractors on staff from the North Baffin LSA in Q4 2018 (234), as reported in Section 3.1.5. This is a general, but likely conservative approximation of the survey response rate. This is because the calculation includes all Inuit employees/contractors who worked on the Project during all Q4 2018 (including community-based positions and individuals who may no longer be working for the Company), rather than only those who were available during the much shorter survey administration period. Using this method, a 30.3% response rate to the 2019 Inuit Employee Survey was achieved. Baffinland has also experienced certain planning challenges when implementing recent employee surveys. For this reason, the survey discussed in this 2018 Socio-Economic Monitoring Report was completed in January/February 2019, while the survey discussed in the 2017 Socio-Economic Monitoring Report was completed in January 2018. Baffinland is working to address this timing discrepancy moving forward.

2.5 CHANGES SINCE PREVIOUS YEAR'S REPORT

Several changes have been made to this report since the previous year. Many of these changes reflect incremental monitoring program revisions and/or improvements. Descriptions of key changes, reasons for them, and associated report references are summarized in Table 2-2.

Table 2-2: Key Changes Since Previous Year's Report

Description of Change	Reason for Change	Report Reference
The Socio-Economic Monitoring Plan has been revised.	A revised (draft) Socio-Economic Monitoring Plan was submitted to the NIRB as part of the EIS Addendum for the Phase 2 Proposal in October 2018.	Details reflected in Sections 1 and 2 See also Baffinland (2018a)
Section 2 (Methods) has been revised.	Section 2 (Methods) has been updated and re-organized to reflect the content of the revised Socio-Economic Monitoring Plan. Certain program details are now only found in the Socio-Economic Monitoring Plan.	Section 2 See also Baffinland (2018a)
Topics for which data limitations exist will now be tracked through the QSEMC process and other sources of community feedback gathered on the Project.	Data limitations were previously tracked through the QSEMC process and Baffinland's own community engagement program. They will now be tracked through the QSEMC process (e.g. SEMCs 2018b), community engagement conducted for the Project through the IIBA Annual Project Review Forum (e.g. Dicta Court Reporting Inc. 2018), and through annual community engagement conducted by the NIRB on the Project's monitoring programs (e.g. NIRB 2018b). Reports on these are produced on a reliable, annual basis and have a focus on Project monitoring. Should new indicators be required for topics with data limitations in the future, they will still be selected in consultation with the SEMWG.	Section 2.2 Section 2.3 Section 2.4 Various sections where data limitations have been identified
Format of the 2018 Socio-Economic Monitoring Report has been updated.	The format of Sections 3 to 12 has been updated for clarity. These sections were previously organized according to the 'Topics' listed in	Sections 3 to 12

	Table 2-1 but are now organized using two new sub-sections: 'Indicator Data and Analysis' and 'Effects and Compliance Assessment'.	
An indicator for the Education and Training VSEC has been renamed.	The indicator 'education and employment status prior to Project employment' has been renamed 'employee education and pre-employment status', for accurateness.	Section 2.2 Section 4.1.8
An indicator for the Livelihood and Employment VSEC has been renamed.	The indicator 'hours of Project labour performed in Nunavut' has been renamed 'hours of Project labour performed', to reflect the criteria discussed in Section 5.1.1.	Section 2.2 Section 5.1.1
An indicator for the Contracting and Business Opportunities VSEC has been renamed.	The indicator 'procurement with Inuit-owned businesses and joint ventures' has been renamed 'value of contracting with Inuit Firms', to better align with IIBA reporting. For the purposes of this report, these two reporting focuses (and the values they report on) are assumed to be the same.	Section 2.2 Section 6.1.1
An indicator for the Contracting and Business Opportunities VSEC has been renamed.	The indicator 'LSA employee payroll amounts' has been renamed 'LSA Inuit employee payroll amounts', to better align with IIBA reporting protocols.	Section 2.2 Section 6.1.2
Topics and indicators for the Resources and Land Use VSEC have been updated/re-organized.	Topics and indicators have been updated/re-organized for clarity and completeness.	Section 2.2 Section 9.2.1
The residual effect for the Benefits, Royalty, and Taxation VSEC has been renamed.	The residual effect 'payments of payroll and corporate taxes to the territorial government' has been renamed 'Project revenues flowing to the territorial government', for accurateness.	Section 2.2 Section 11.2.1
A new section for the Governance and Leadership VSEC has been added to this report.	This section was added to be consistent with the new format of the 2018 report. While no residual effects were identified in the EIS for this VSEC and no monitoring indicators have been developed, there are two Terms and Conditions in the Project Certificate pertaining to monitoring and this VSEC.	Section 12
Several tables have been converted to figures.	Some data tables containing five or more years of information were becoming visually crowded and were converted to figures for greater legibility.	Various

3. POPULATION DEMOGRAPHICS

3.1 INDICATOR DATA AND ANALYSIS

3.1.1 Population Estimates and Nunavut Net Migration

Population data are a fundamental component of many socio-economic monitoring programs. Population estimates for Nunavut and the LSA communities of Arctic Bay, Clyde River, Hall Beach, Igloolik, Pond Inlet, and Iqaluit are provided by the Nunavut Bureau of Statistics (2018a) and presented in Table 3-1.⁹ 2017 was the most recent year population estimates were available. In 2017, the North Baffin LSA communities had a population of 6,383, Iqaluit had a population of 8,011, and Nunavut had a population of 37,996.

Between 2012 and 2017, the North Baffin LSA communities grew from a population of 5,836 to 6,383 (or 9.3%). Iqaluit grew from a population of 7,252 to 8,011 (or 10.5%), while Nunavut grew from a population of 34,707 to 37,996 (or 9.5%). Average annual growth rates over this period for the North Baffin LSA communities (1.8%), Iqaluit (2.1%), and Nunavut (1.9%) were considerably higher than the Canadian average (1.1%) (Statistics Canada 2018a). Figure 3-1 displays the population in these locations since 2008.

Table 3-1: 2017 Population Estimates

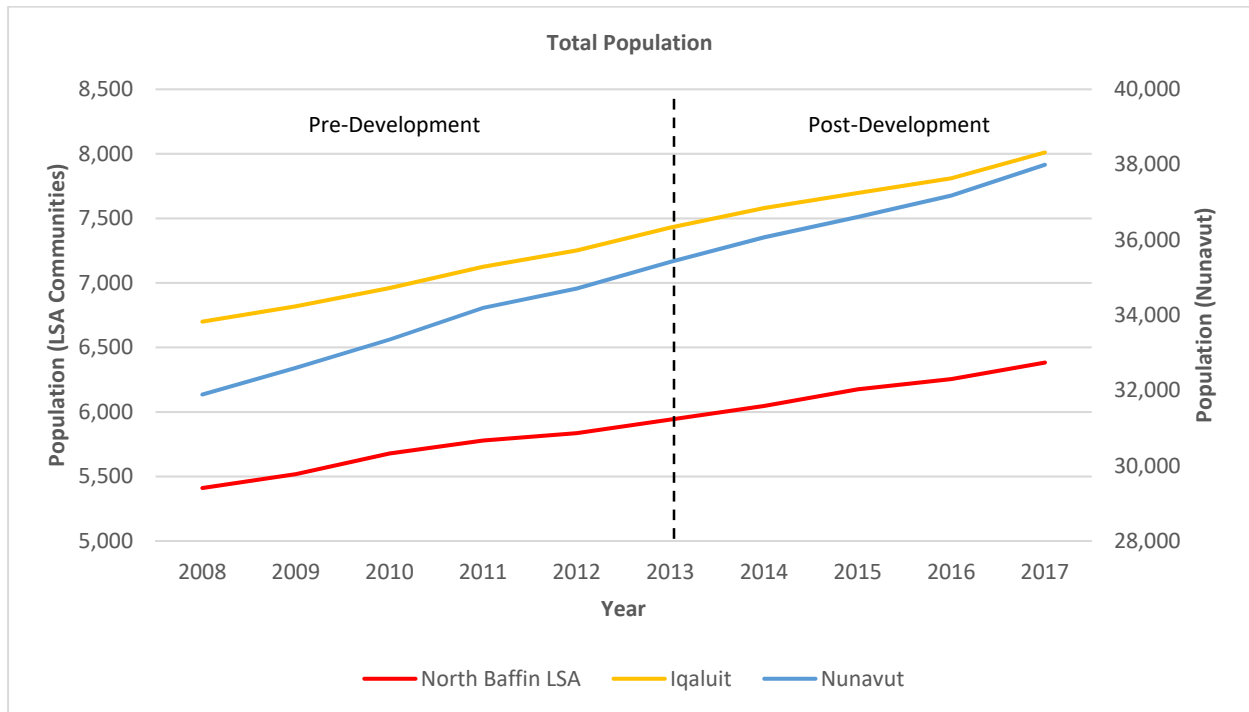
2017 Population Estimates	
Community	Total Population
North Baffin LSA	6,383
· Arctic Bay	973
· Clyde River	1,088
· Hall Beach	855
· Igloolik	1,677
· Pond Inlet	1,790
Iqaluit	8,011
Nunavut	37,996

Source: Nunavut Bureau of Statistics (2018a)

The percentage of Inuit versus non-Inuit residents in the North Baffin LSA communities remains high. An average 94.5% of North Baffin LSA residents were Inuit in the pre-development period, while an equal 94.5% were Inuit in the post-development period. Figure 3-2 displays the percentage of Inuit versus non-Inuit residents in the North Baffin LSA communities since 2008. 2016 was the most recent year data were available for this topic (Nunavut Bureau of Statistics 2016).

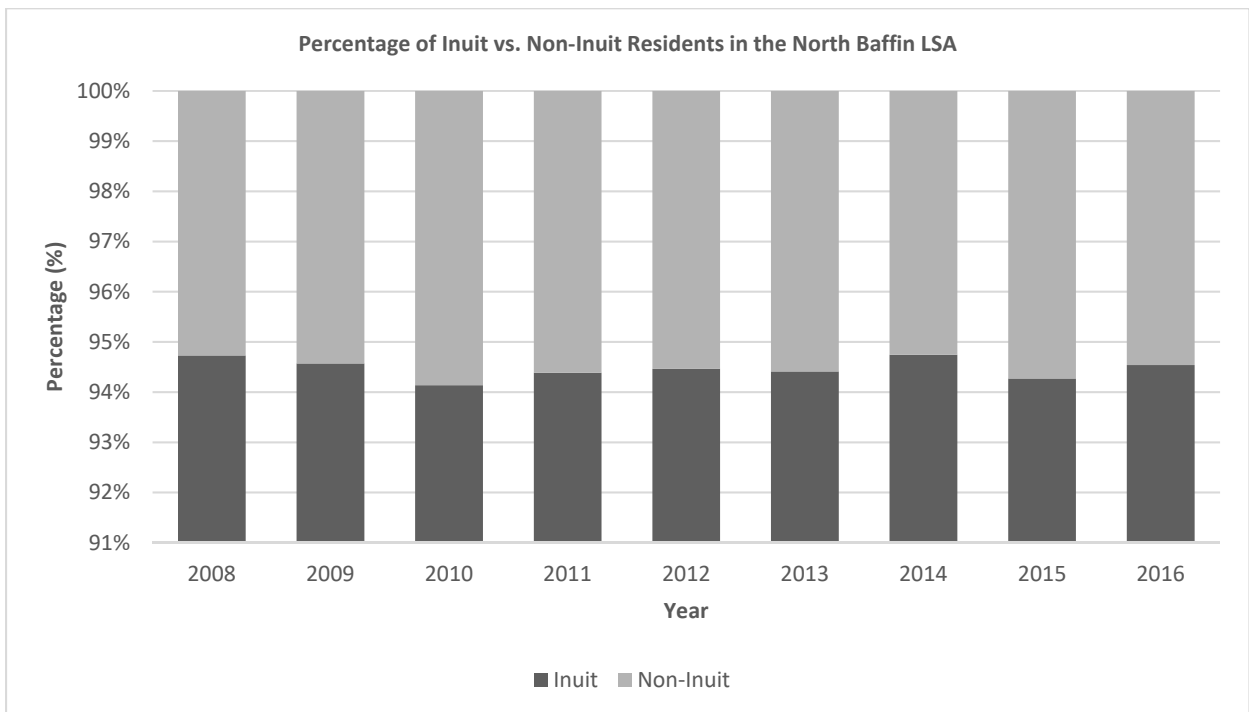
⁹ The Nunavut Bureau of Statistics (2018a) notes that community population estimates are preliminary and subject to revision. 2017 estimates, in particular, are to be viewed with some caution, as these are in early preliminary stages.

Figure 3-1: Total Population (2008 to 2017)



Source: Nunavut Bureau of Statistics (2018a)

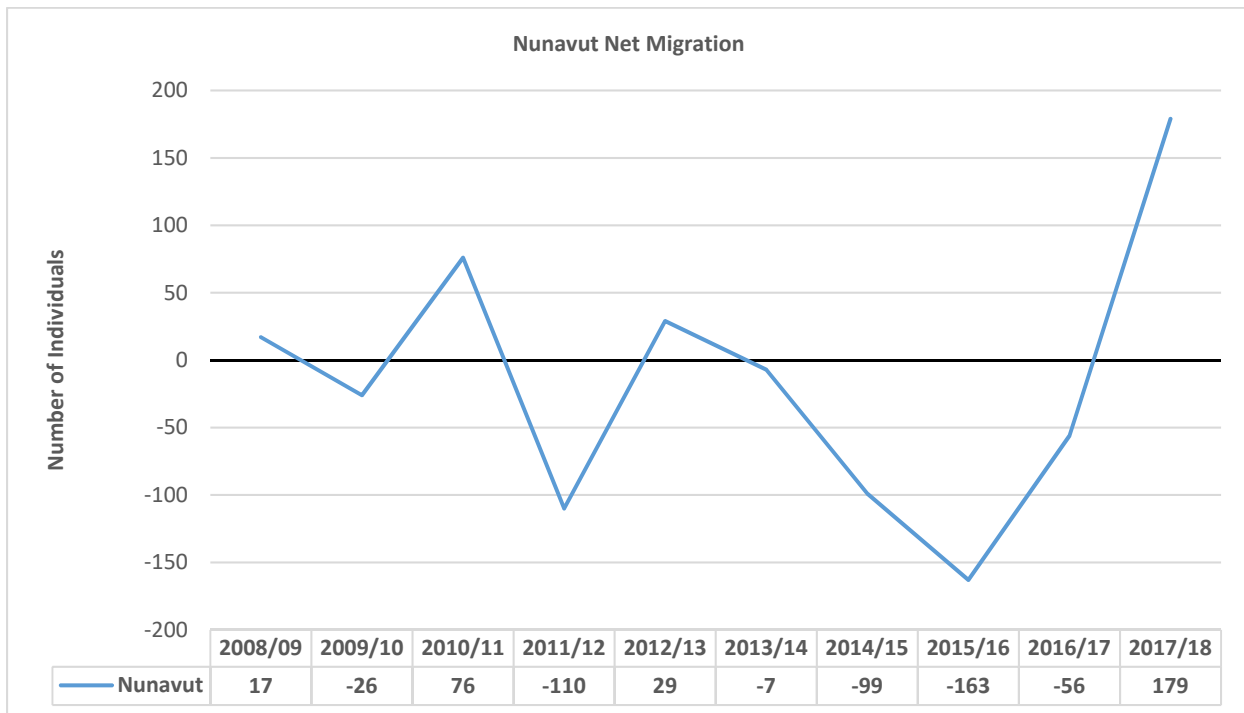
Figure 3-2: Percentage of Inuit Versus Non-Inuit Residents in the North Baffin LSA (2008 to 2016)



Source: Nunavut Bureau of Statistics (2016)

Territorial annual net migration estimates provide insight into broad migration patterns that are occurring in Nunavut. Figure 3-3 displays annual net migration estimates for Nunavut since 2008/09, which have been obtained from the Nunavut Bureau of Statistics (2018b). A net of 179 individuals migrated into Nunavut in 2017/18. Estimates for preceding years have been variable, from a net of 76 individuals migrating into Nunavut in 2010/11, to a net of -163 individuals migrating into Nunavut in 2015/16. Compared to the pre-development period average, a decreasing trend in average Nunavut net migration has occurred in the post-development period (i.e. more people have moved out of the territory than before; from -3 to -29).

Figure 3-3: Nunavut Net Migration (2008/09 to 2017/18)



Source: Nunavut Bureau of Statistics (2018b)

The populations of the North Baffin LSA communities, Iqaluit, and Nunavut have continued to grow since Project development. The percentage of Inuit versus non-Inuit residents in the North Baffin LSA communities has also remained high (and relatively constant) since that time. The Project appears unlikely to be a major influence on these trends. Population growth was occurring throughout Nunavut prior to Project development and continues to occur at high rates across the territory. The average percentage of Inuit versus non-Inuit residents in the North Baffin LSA communities was also the same during both the pre- and post-development periods. While a decreasing post-development trend in Nunavut annual net migration has occurred, net migration estimates are currently conducted at too coarse a scale (i.e. territorial) to ascertain any Project-related influences.

3.1.2 Known In-Migrations of Non-Inuit Project Employees and Contractors and Known Out-Migrations of Inuit Project Employees and Contractors

Migration data for Project employees and contractors provides insight into potential in- and out-migration trends occurring in the North Baffin LSA. Table 3-2 presents data on known in- and out-

migrations of Project employees and contractors in the North Baffin LSA. These data were provided by BCLOs located in each North Baffin LSA community. More specifically, BCLOs were asked to report on the number of Project employees and contractors they knew who had moved into and out of each of their communities during the previous year. BCLOs were also asked to identify whether the individuals were Inuit or non-Inuit and the locations where those individuals had moved to and from, if known.^{10, 11}

Table 3-2 indicates zero Inuit employees/contractors are known to have moved into the North Baffin LSA in 2018. An additional five Inuit employees/contractors moved between North Baffin LSA communities or moved back into the same community after moving away in the same year; these individuals have not been counted as North Baffin LSA in-migrants. One non-Inuit employee/contractor is known to have moved into the North Baffin LSA communities in 2018.

Eight Inuit employees/contractors are known to have moved out of the North Baffin LSA in 2018. An additional eight Inuit employees/contractors moved between North Baffin LSA communities or moved away and then back into the same community in the same year; these individuals have not been counted as North Baffin LSA out-migrants. Zero non-Inuit employees/contractors are known to have moved out of the North Baffin LSA communities in 2018.

Table 3-2 indicates a net of 13 Inuit employees/contractors are known to have out-migrated from the North Baffin LSA since 2015. A net of one non-Inuit employee/contractor is known to have in-migrated to the North Baffin LSA since 2015. For additional reference, a net of one Inuit employee/contractor is known to have out-migrated from the North Baffin LSA to Iqaluit since 2015 and a net of ten Inuit employees/contractors are known to have out-migrated from the North Baffin LSA to locations outside of Nunavut since 2015. The Project may be a contributing influence on Inuit out-migration in the North Baffin LSA, but the exact magnitude of this effect (if any) is difficult to ascertain as migration decisions can be influenced by several factors. The Project does not appear to be a major influence on non-Inuit in-migration in the North Baffin LSA.

¹⁰ Family members that may have migrated with employees and contractors were not accounted for. When the origin/destination community of a migrant was unknown in Table 3-2, it was conservatively assumed they were migrating to/from outside the North Baffin LSA. However, Iqaluit and non-Nunavut net migration calculations only include migrants whose origin and destination location were both known.

¹¹ 2013-2014 Baffinland migration data was presented in BDSI (2015). However, comparisons with this data should be made with some caution as this report did not identify whether its migration calculations included both Inuit and non-Inuit individuals and/or both employees and contractors. Furthermore, the numbers of migrating individuals were rounded and calculated using different methods than subsequent Baffinland Socio-Economic Monitoring Reports. From 2013 to 2014, BDSI (2015) notes less than five individuals moved into the North Baffin LSA from other North Baffin LSA communities. It also notes less than five individuals moved into the North Baffin LSA from Iqaluit during this period, while less than five individuals moved out of the North Baffin LSA to other North Baffin LSA communities. Five to ten individuals also moved from the North Baffin LSA to Iqaluit during this period, while less than five individuals moved from the North Baffin LSA to Ottawa.

Table 3-2: Known In- and Out-Migration of Project Employees and Contractors in the North Baffin LSA (2015 to 2018)

Known In- and Out-Migration of Project Employees and Contractors in the North Baffin LSA						
Year	In-Migration		Out-Migration		Inuit Net Migration	Non-Inuit Net Migration
	Inuit	Non-Inuit	Inuit	Non-Inuit		
2015	3	0	4	0	-1	0
2016	1	0	3	0	-2	0
2017	0	0	2	0	-2	0
2018	0	1	8	0	-8	+1
Total	4	1	17	0	-13	+1

Source: Baffinland

3.1.3 In-Migration of Non-Inuit to the North Baffin LSA and Out-Migration of Inuit from the North Baffin LSA

Community-level migration data can provide additional insight into potential Project-induced trends. However, annual in- and out-migration data for the North Baffin LSA were unavailable from the Nunavut Bureau of Statistics in 2018. Some insight into this topic can be obtained by assessing changes in the percentage of Inuit versus non-Inuit residents in the North Baffin LSA since Project development. If substantial non-Inuit in-migration and Inuit out-migration were occurring because of the Project, the ratio of Inuit to non-Inuit residents in the North Baffin LSA would be expected to noticeably decrease. As seen in Figure 3-2, however, the percentage of Inuit residents in the North Baffin LSA has remained relatively constant between 2008 and 2016 (ranging between 94.1% and 94.7% Inuit). In fact, there has been no change in the average percentage of Inuit residents between the pre- and post-development periods (94.5%). The Project does not appear to be a major influence on the percentage of Inuit/non-Inuit living in the North Baffin LSA.

3.1.4 Employee and Contractor Changes of Address, Housing Status, and Migration Intentions

Project Certificate Term and Condition No. 133 requests that Baffinland collect information on employee changes of address, housing status, and migration intentions. Baffinland has developed a voluntary Inuit Employee Survey to address this topic. The latest version of this survey was administered by BCLOs in each of the North Baffin LSA communities in January/February 2019. A total of 71 surveys were completed by Inuit employees and contractors.

Table 3-3 summarizes results pertaining to changes in employee and contractor residence and community ($n=71$). 4.2% of respondents indicated their residence had changed in the past 12 months, 74.6% indicated their residence had not changed in the past 12 months, and results were unknown for 21.1% of respondents. When 'unknown' results are removed, 5.4% of respondents indicated their residence had changed in the past 12 months and 94.6% indicated it had not. Respondents who had changed residences and moved to a different community ($n=2$) were then asked which community they had moved from; this result was compared against information provided on their current community of residence. Of these respondents, 100.0% had moved from outside the North Baffin LSA into the North Baffin LSA (or 2.8% of all survey responses).

Table 3-3: Changes in Inuit Employee and Contractor Residence and Community (2019 Inuit Employee Survey Results)

Changes in Inuit Employee and Contractor Residence and Community (Inuit Employee Survey Results)		
Type of Residence Change	Number of Respondents	Percentage of Respondents
<i>All survey respondents (n=71)</i>		
Residence changed in the past 12 months, within existing community	1	1.4%
Residence changed in the past 12 months, moved to new community	2	2.8%
Residence did not change in the past 12 months	53	74.6%
Unknown	15	21.1%
Total	71	99.9%
<i>Residence changed in the past 12 months, moved to new community (n=2)</i>		
Moved from North Baffin LSA to outside of North Baffin LSA	N/A	N/A
Moved from outside of North Baffin LSA to North Baffin LSA	2	100.0%
Moved within the North Baffin LSA	0	0.0%
Other	N/A	N/A
Unknown	0	0.0%
Total	2	100.0%

Source: Baffinland

Notes: Total percentages may not equal 100.0% due to rounding. Because the 2019 survey was administered only in North Baffin LSA communities, Inuit residing outside of these communities (e.g. in Iqaluit or non-Nunavut communities) were not included. North Baffin LSA out-migrants were thus not captured in the results, nor were residence changes that occurred outside the North Baffin LSA.

Table 3-4 pertains to current Inuit employee and contractor housing status. Due to a survey administration error in 2019, data on the type of housing respondents lived in were unable to be collected and are not included in the table below. The most recent data on this topic are presented in JPCSL (2018). This section of the table has been retained as a placeholder for future reports. Regarding homeownership ($n=71$), 31.0% of respondents said they had considered purchasing a home in their community, 47.9% had not considered purchasing a home in their community, 4.2% already owned their own home, and results were unknown for 16.9% of respondents. When ‘unknown’ results are removed, 37.3% of respondents had considered purchasing a home in their community and 5.1% already owned their own home.

Table 3-5 summarizes results pertaining to Inuit employee and contractor migration intentions ($n=71$). 16.9% of respondents planned to move residences in the next 12 months while 64.8% did not. Migration intentions were unknown for 18.3% of respondents. When ‘unknown’ results are removed, 20.7% of respondents planned to move residences in the next 12 months and 79.3% did not. Respondents who planned to change residences and move to a different community in the next 12 months ($n=8$) were then asked which community they planned to move to; this result was compared against information provided on their current community of residence. Of these respondents, 50.0% (or 6.9% of known survey responses) planned to move out of the North Baffin LSA and 25.0% (or 3.4% of known responses) planned to move within the North Baffin LSA. The planned type of move was unknown for 25.0% (or 3.4% of known responses).

Table 3-4: Current Inuit Employee and Contractor Housing Status (2019 Inuit Employee Survey results)

Current Inuit Employee and Contractor Housing Status (Inuit Employee Survey Results)		
Current Housing Status	Number of Respondents	Percentage of Respondents
<i>What type of housing do you currently live in? (n=N/A)</i>		
Privately owned – Owned by you	–	–
Privately owned – Owned by another individual	–	–
Renting from a private company	–	–
Public housing	–	–
Government of Nunavut staff housing	–	–
Other staff housing	–	–
Other	–	–
Unknown	–	–
Total	–	–
<i>Have you ever considered purchasing a home in your community? (n=71)</i>		
Yes	22	31.0%
No	34	47.9%
I already own my own home	3	4.2%
Unknown	12	16.9%
Total	71	100.0%

Source: Baffinland

Notes: Total percentages may not equal 100.0% due to rounding.

Table 3-5: Inuit Employee and Contractor Migration Intentions (2019 Inuit Employee Survey results)

Inuit Employee and Contractor Migration Intentions (Inuit Employee Survey Results)		
Migration Intentions	Number of Respondents	Percentage of Respondents
<i>All survey respondents (n=71)</i>		
Plan to move residences in the next 12 months, within existing community	4	5.6%
Plan to move residences in the next 12 months, to a new community	8	11.3%
Do not plan to move residences in the next 12 months	46	64.8%
Unknown	13	18.3%
Total	71	100.0%
<i>Plan to move residences in the next 12 months, to a new community (n=8)</i>		
Plan to move from North Baffin LSA to outside of North Baffin LSA	4	50.0%
Plan to move from outside of North Baffin LSA to North Baffin LSA	N/A	N/A
Plan to move within North Baffin LSA	2	25.0%
Other	N/A	N/A
Unknown	2	25.0%
Total	8	100.0%

Source: Baffinland

Notes: Total percentages may not equal 100.0% due to rounding. Because the 2019 survey was administered only in North Baffin LSA communities, Inuit residing outside of these communities (e.g. in Iqaluit or non-Nunavut communities) were not included. Those who were planning to in-migrate to the North Baffin LSA were thus not captured in the results, nor were those who planned to move between residences outside the North Baffin LSA.

Like previous surveys, some respondents to the 2019 Inuit Employee Survey indicated they had moved to a different community in the past 12 months (3.6% in 2019, 9.9% in 2018, and 7.0% in 2017) or planned to move to a different community in the next 12 months (13.8% in 2019, 17.6% in 2018, and 16.3% in 2017). Due to a survey administration error in 2019, data on the type of housing respondents lived in were unable to be collected and compared to previous survey results (60.7% lived in public housing in 2018 and 66.7% lived in public housing in 2017). Baffinland will continue to track employee

changes of address, housing status, and migration intentions through an Inuit Employee Survey to see if future trends emerge.

3.1.5 Employee and Contractor Origin

Data on the origin, number, and ethnicity of Project employees and contractors who worked on the Project in 2018 are presented in Table 3-6 (by headcount). These data help reveal the composition of the Project's current labour force. An average of 2,054 individuals worked on the Project in 2018, of which 315 (15.3%) were Inuit. In 2018, most of the Project's known origin Inuit employees and contractors were based in LSA communities with smaller numbers residing outside of Nunavut. Most of the Project's known origin non-Inuit employees and contractors were based in Canadian locations outside of Nunavut, with Ontario having the greatest number. Small numbers of non-Inuit employees and contractors were based in Nunavut (all in Iqaluit). There were also a small number of non-Inuit international contractors, and various Inuit/non-Inuit employees and contractors whose origin was unknown. Within the North Baffin LSA, Hall Beach had the highest average number of employees and contractors (50), while Igloolik had the lowest (29). Several employees and contractors also resided in Iqaluit (59). One employee came from the Kivalliq Region, while no Project workers came from the Kitikmeot Region.

The Project employed many Inuit from the LSA communities in 2018, which likely reflects the Inuit hiring commitments Baffinland has made in those locations and the access to Project work locations provided by regular flights from LSA communities directly to site. Nearly all known origin non-Inuit individuals in 2018 came from Canadian provinces and territories other than Nunavut. A mine like Mary River requires many employees with various skill sets. Individuals with advanced mining and/or technical skill sets are in limited supply in Nunavut (e.g. Gregoire 2014, MacDonald 2014, MIHR 2014, Conference Board of Canada 2016). The large number of Project employees from outside of Nunavut is considered to at least partly reflect this skills gap. The Project's labour demand is also expected to continue to exceed the LSA Inuit labour supply (i.e. those who are 'ready, able, and willing' to work at the Project), as noted in a recent Labour Market Analysis prepared for Baffinland (Impact Economics 2018).

Table 3-6: Mary River Project Employees and Contractors by Origin and Ethnicity in 2018

Mary River Project Employees and Contractors by Origin and Ethnicity in 2018																		
Origin		Baffinland								Contractors								Yearly Average
		Inuit				Non-Inuit				Inuit				Non-Inuit				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Nunavut	Arctic Bay	26	27	34	37	0	0	0	0	14	19	24	16	0	0	0	0	49
	Clyde River	21	27	30	28	0	0	0	0	15	19	32	21	0	0	0	0	48
	Hall Beach	13	15	18	17	0	0	0	0	24	34	45	33	0	0	0	0	50
	Igloolik	7	13	15	15	0	0	0	0	11	11	18	24	0	0	0	0	29
	Pond Inlet	17	24	25	21	0	0	0	0	15	14	23	22	0	0	0	0	40
	Iqaluit	15	22	20	26	0	0	1	0	30	31	38	29	5	9	8	3	59
	Other	0	0	3	4	0	0	0	0	0	0	5	0	0	0	0	0	3
Other Canadian Provinces and Territories	Alberta	0	0	0	0	34	55	58	55	0	0	1	1	36	29	55	46	93
	British Columbia	1	1	1	1	24	32	33	35	0	0	0	0	26	26	41	30	63
	Manitoba	0	0	0	1	11	17	15	17	0	0	0	0	3	4	10	2	20
	New Brunswick	0	1	0	0	29	42	41	42	0	0	0	0	10	12	21	16	54
	Nfld. and Labrador	1	2	2	2	60	115	117	126	0	1	1	0	24	27	78	50	152
	Northwest Territories	0	0	0	0	0	1	0	0	0	0	0	0	6	3	4	6	5
	Nova Scotia	0	1	0	1	50	92	95	102	0	0	0	0	11	13	36	20	105
	Ontario	13	14	15	18	265	377	384	357	3	6	6	3	92	100	160	121	484
	Prince Edward Island	0	0	0	0	5	11	12	13	0	0	0	0	1	1	1	0	11
	Quebec	0	3	0	1	29	57	57	54	0	1	1	1	26	24	110	63	107
	Saskatchewan	0	0	0	0	2	9	11	14	0	1	1	0	3	2	13	5	15
Yukon	0	0	0	0	0	1	1	1	0	0	0	0	0	1	3	0	2	
International	Other	0	0	0	0	0	0	0	0	0	0	0	0	3	0	1	0	1
Unknown	Unknown	3	0	0	0	252	1	0	0	13	10	3	35	307	487	706	845	666
Quarterly Totals		117	150	163	172	761	810	825	816	125	147	198	185	553	738	1247	1207	
Average		151				803				164				936				
AVERAGE TOTAL		2,054																

Source: Baffinland

3.2 EFFECTS AND COMPLIANCE ASSESSMENT

3.2.1 Effects Assessment

There were two residual effects for the Population Demographics VSEC assessed in the EIS. Monitoring results applicable to these are summarized in Table 3-7.

Table 3-7: Effects Assessment for the Population Demographics VSEC

Residual Effect	Summary	Monitoring Results
<p>In-Migration of Non-Inuit Project Employees to the North Baffin LSA</p>	<p>The EIS predicted some in-migration of non-Inuit employees hired to work at the Project could occur in the North Baffin LSA (i.e. <5% change in the non-Inuit baseline population). In 2012 (the year before Project construction commenced), 5% of the North Baffin non-Inuit population would have equaled approximately 28 individuals.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • Designation of Iqaluit and an additional southern location as ‘points of hire’, with free transportation provided to employees from these points of hire to the mine site 	<p>Cumulative Baffinland (i.e. BCLO survey) data since 2015 indicates a net of one non-Inuit employee/contractor is known to have in-migrated to the North Baffin LSA. Government data on changes in the percentage of Inuit versus non-Inuit residents in the North Baffin LSA have not revealed a significant Project-induced trend at this time. It is acknowledged these data present only a partial assessment of migration trends and more detailed in-migration data for the North Baffin LSA are currently unavailable from government sources. Furthermore, the factors involved in deciding to migrate can be complex and specific to an individual. While these limitations are acknowledged, available migration data appear to support the EIS predictions that were made. There is no evidence to suggest mitigation measures need to be modified at this time. Without significant in-migration to the North Baffin LSA occurring because of the Project, negative effects on local housing opportunities are considered negligible. In fact, wages earned through Project-related work may enable individuals in the North Baffin LSA to improve their housing situations over time (e.g. through greater capacity to rent and/or own their residence). Out-migration of residents may also relieve some local housing strains.</p>
<p>Out-Migration of Inuit Residents from the North Baffin LSA</p>	<p>The EIS predicted some out-migration of Inuit residents from the North Baffin LSA could occur (i.e. 1% to <5% of the total population). In 2012 (the year before Project construction commenced), 5% of the total North Baffin LSA population would have equaled approximately 306 individuals.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • Designation of all North Baffin LSA communities as ‘points of hire’, with free transportation provided to employees from these points of hire to the mine site 	<p>Cumulative Baffinland (i.e. BCLO survey) data since 2015 indicates a net of 13 Inuit employees / contractors are known to have out-migrated from the North Baffin LSA. Government data on changes in the percentage of Inuit versus non-Inuit residents in the North Baffin LSA have not revealed a significant Project-induced trend at this time. It is acknowledged these data present only a partial assessment of migration trends and more detailed out-migration data for the North Baffin LSA are currently unavailable from government sources. Furthermore, the factors involved in deciding to migrate can be complex and specific to an individual. While these limitations are acknowledged, available migration data appear to support the EIS predictions that were made. There is no evidence to suggest mitigation measures need to be modified at this time.</p>

3.2.2 Compliance Assessment

There are five Terms and Conditions in the Project Certificate pertaining to monitoring of the Population Demographics VSEC. The status of these are summarized in Table 3-8.

Table 3-8: Terms and Conditions for Monitoring the Population Demographics VSEC

Term and Condition No.	Description	Status
129	The Proponent is strongly encouraged to engage in the work of the QSEMC along with other agencies and affected communities, and it should endeavour to identify areas of mutual interest and priorities for inclusion into a collaborative monitoring framework that includes socio-economic monitoring priorities related to the Project, communities, and the North Baffin region as a whole.	Baffinland continues to engage with the QSEMC and participates in the SEMWG, whose members include Baffinland, the GN, the Government of Canada, and QIA. A TOR for the SEMWG (which identifies socio-economic monitoring priorities and objectives for the Project) has been developed (but was being revised in 2018) and Baffinland has incorporated feedback from SEMWG members into the Project's Socio-Economic Monitoring Plan (Baffinland 2018a). Baffinland will continue to consider feedback received from Project stakeholders on its socio-economic monitoring program. This Term and Condition is more fully addressed in the following sections of this report: Section 1.2, Section 2.2, and Appendix A.
130	The Proponent should consider establishing and coordinating with smaller socio-economic working groups to meet Project specific monitoring requirements throughout the life of the Project.	Baffinland continues to engage with the QSEMC and SEMWG on socio-economic monitoring for the Project. In addition, Baffinland regularly engages other committees which operate under provisions of the IIBA on various socio-economic topics. This Term and Condition is more fully addressed in the following sections of this report: Section 1.2 and Appendix A.
131	The QSEMC is encouraged to engage in the monitoring of demographic changes including the movement of people into and out of the North Baffin communities and the territory as a whole. This information may be used in conjunction with monitoring data obtained by the Proponent from recent hires and/or out-going employees in order to assess the potential effect the Project has on migration.	Baffinland has provided demographic change information in the Socio-Economic Monitoring Report. Baffinland has also implemented an Inuit Employee Survey, which collects information related to employee and contractor changes of address, housing status, and migration intentions. This Term and Condition is more fully addressed in the following sections of this report: Section 3.1.1, Section 3.1.2, Section 3.1.3, Section 3.1.4, and Section 3.2.1.
133	The Proponent is encouraged to work with the QSEMC and in collaboration with the GN's Department of Health and Social Services, the NHC and other relevant stakeholders, design and implement a voluntary survey to be completed by its employees on an annual basis in order to identify changes of address, housing status (i.e. public/social, privately owned/rented, government, etc.), and migration intentions while respecting confidentiality of all persons involved. The survey should be designed in collaboration with the GN's Department of Health and Social Services, the NHC and other relevant stakeholders. Non-confidential results of the survey are to be reported to the GN and the NIRB.	Baffinland has implemented an Inuit Employee Survey, which collects information related to employee and contractor changes of address, housing status, and migration intentions. Baffinland continues to engage the QSEMC and SEMWG on its socio-economic monitoring program and has solicited feedback on potential improvements to the survey from SEMWG members. Following consultation with NHC in late 2018, two additional questions on home ownership and financial literacy training were added to the most recent (2019) version of the survey. This Term and Condition is more fully addressed in the following sections of this report: Section 3.1.4 and Section 4.1.8.

<p>134</p>	<p>The Proponent shall include with its annual reporting to the NIRB a summation of employee origin information as follows: a. The number of Inuit and non-Inuit employees hired from each of the North Baffin communities, specifying the number from each; b. The number of Inuit and non-Inuit employees hired from each of the Kitikmeot and Kivalliq Regions, specifying the number from each; c. The number of Inuit and non-Inuit employees hired from a southern location or other province/territory outside of Nunavut, specifying the locations and the number from each; and d. The number of non-Canadian foreign employees hired, specifying the locations and number from each foreign point of hire.</p>	<p>Baffinland has presented employee and contractor origin information in the Socio-Economic Monitoring Report. This Term and Condition is more fully addressed in the following section of this report: Section 3.1.5.</p>
------------	--	--

4. EDUCATION AND TRAINING

4.1 INDICATOR DATA AND ANALYSIS¹²

4.1.1 Participation in Pre-Employment Training

Participation in pre-employment training is a useful indicator of life skills development because some individuals may have lacked basic employment skills prior to participating. Baffinland successfully carried out a pre-employment training program with North Baffin LSA residents in 2012 and 2013. There were 277 graduates of the program and 150 of those graduates went on to be employed at the Project in 2013. Following that, a new Work Ready Program was developed by Baffinland and began to be offered in 2018. That year, the Work Ready Program was administered in Clyde River, Pond Inlet, Igloolik, and Hall Beach and had 59 graduates. Since 2012, there have been 336 graduates of Baffinland pre-employment training programs. Baffinland will continue to offer pre-employment training as per Article 8.12 of the IIBA.

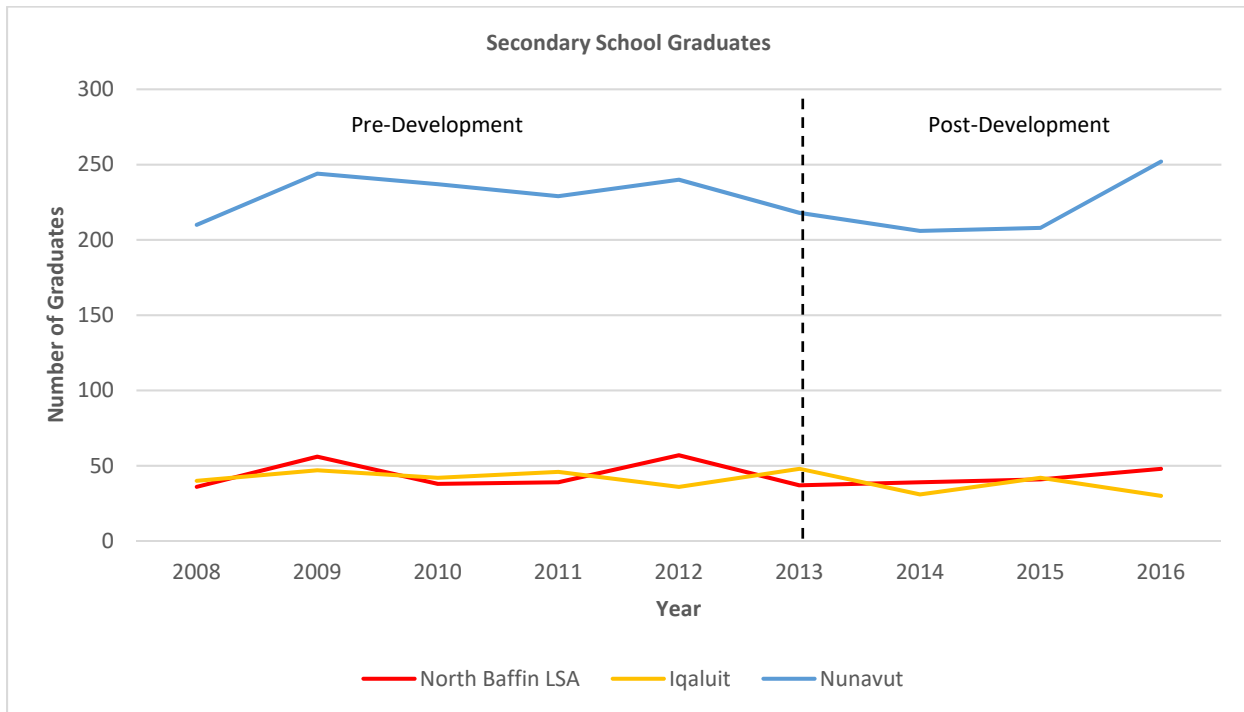
4.1.2 Number of Secondary School Graduates

The number of secondary school graduates in the LSA is a useful indicator of school attendance and success. 2016 was the most recent year data on secondary school graduates were available from the Nunavut Bureau of Statistics (2017a). Compared to the previous year data were available, there has been an increase in the number of graduates in the North Baffin LSA (from 41 to 48) and Nunavut (from 208 to 252), but a decrease in Iqaluit (from 42 to 30). Compared to pre-development period averages, there have been decreasing trends in the average number of graduates in the North Baffin LSA (from 45 to 41), Iqaluit (from 42 to 38), and Nunavut (from 232 to 221) in the post-development period. Figure 4-1 displays the number of secondary school graduates since 2008, while Table 4-1 displays average values for selected periods.

These data do not currently appear indicative of a positive Project influence, as there have been decreasing trends in the number of graduates in the LSA in the post-development period, which were not evident in the pre-development period (they were previously increasing). A comparable situation has been noted across Nunavut, which suggests broad-scale factors may be driving these trends rather than the Project. However, Baffinland predicted the Project would provide incentives related to school attendance and success in the LSA; as such, this indicator will continue to be monitored for emerging trends.

¹² Data for the indicator 'LSA employment and on-the-job training' are provided in Section 4.1.5 (hours of training completed by Inuit employees and contractors) and Section 5.1.2 (Project hours worked by LSA employees and contractors), rather than being duplicated here.

Figure 4-1: Secondary School Graduates (2008 to 2016)



Source: Nunavut Bureau of Statistics (2017a)

Table 4-1: Secondary School Graduates (Averages for Selected Periods)

Secondary School Graduates						
Period	North Baffin LSA		Iqaluit		Nunavut	
	Average	Change in Average	Average	Change in Average	Average	Change in Average
2003-2007	34	–	32	–	168	–
Pre-Development Period (2008 to 2012)	45	+11	42	+10	232	+64
Post-Development Period (2013 onwards)	41	-4	38	-4	221	-11

Source: Nunavut Bureau of Statistics (2017a)

Notes: Some values may be affected by rounding.

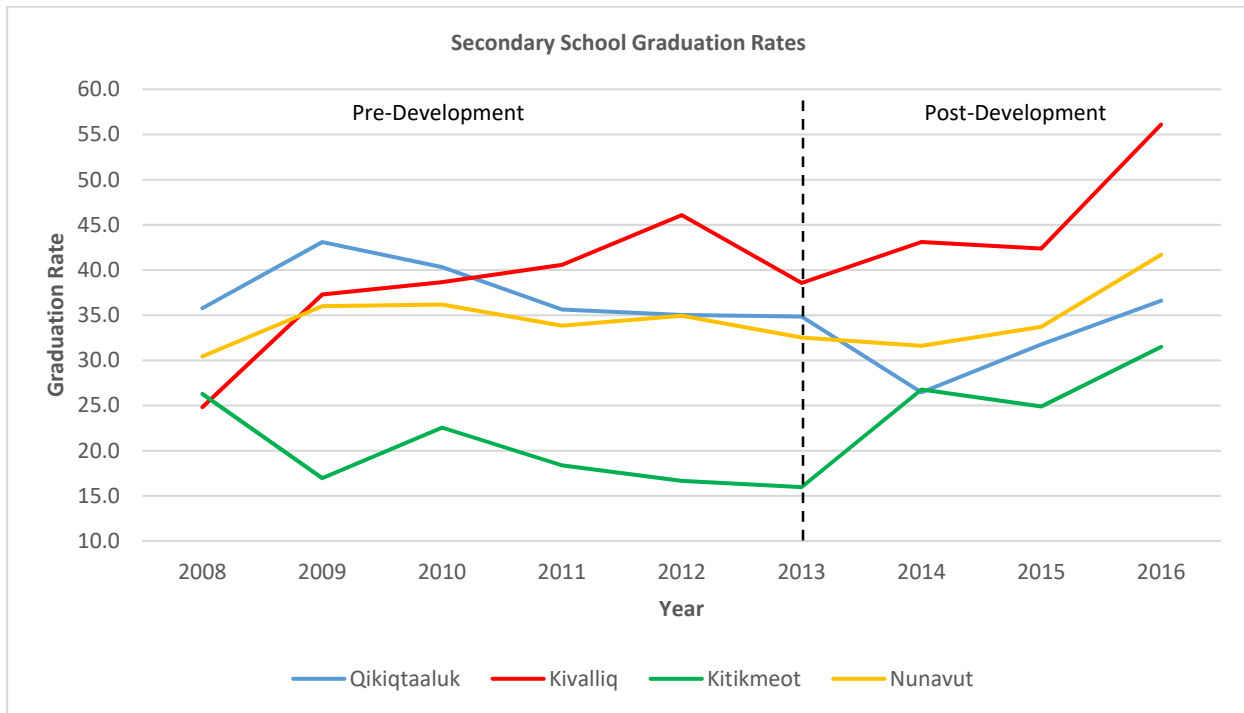
4.1.3 Secondary School Graduation Rate

Secondary school graduation rates are another useful indicator of school attendance and success.¹³ 2016 was the most recent year graduation rate data were available from the Nunavut Bureau of Statistics (2017b). However, data are only available for the Qikiqtaaluk, Kivalliq, and Kitikmeot Regions, and Nunavut as a whole. No community-level data are available. Compared to the previous year data were available, graduation rates increased in the Qikiqtaaluk Region (from 31.8 to 36.6), Kivalliq Region (from 42.4 to 56.1), Kitikmeot Region (from 24.9 to 31.5), and Nunavut (from 33.7 to 41.7). Compared to pre-development period averages, there has been a decreasing trend in average graduation rates in

¹³ The Nunavut Bureau of Statistics (2017b) notes the ‘graduation rate’ is calculated by dividing the number of graduates by the average of estimated 17 and 18 year-old populations (the typical ages of graduation). ‘Graduates’ include students who completed secondary school but excludes those who completed equivalency or upgrading programs. Due to the small population of Nunavut, however, the Nunavut Bureau of Statistics (2017b) notes that graduation rate changes from year to year and must be interpreted with caution.

the Qikiqtaaluk Region (from 38.0 to 32.4) but increasing trends in the Kivalliq Region (from 37.5 to 45.1), Kitikmeot Region (from 20.2 to 24.8), and Nunavut (from 34.3 to 34.9) in the post-development period. Figure 4-2 displays secondary school graduation rates since 2008, while Table 4-2 displays average values for selected periods.

Figure 4-2: Secondary School Graduation Rates (2008 to 2016)



Source: Nunavut Bureau of Statistics (2017b)

Table 4-2: Secondary School Graduation Rates (Averages for Selected Periods)

Secondary School Graduation Rates				
Period	Qikiqtaaluk		Nunavut	
	Average	Change in Average	Average	Change in Average
2003-2007	32.8	–	27.1	–
Pre-Development Period (2008 to 2012)	38.0	+5.1	34.3	+7.2
Post-Development Period (2013 onwards)	32.4	-5.5	34.9	+0.6

Source: Nunavut Bureau of Statistics (2017b)

Notes: Some values may be affected by rounding.

These data do not currently appear indicative of a positive Project influence, as there has been a decreasing trend in graduation rates in the Qikiqtaaluk Region in the post-development period, which was not evident in the pre-development period (it was previously increasing). Conversely, Nunavut has continued to experience an increasing trend during the post-development period (although the magnitude of this increase has notably diminished). Reasons for the lack of a similar increasing trend in the Qikiqtaaluk Region are currently unknown. It should also be noted that Baffinland’s Inuit hiring efforts to date have been focused on the LSA communities, rather than all Qikiqtaaluk Region communities. However, Baffinland predicted the Project would provide incentives related to school

attendance and success in the LSA; as such, this indicator will continue to be monitored for emerging trends.

4.1.4 Investments in School-Based Initiatives

Baffinland continued to support several school-based initiatives through its donations program and IIBA in 2018. For example:

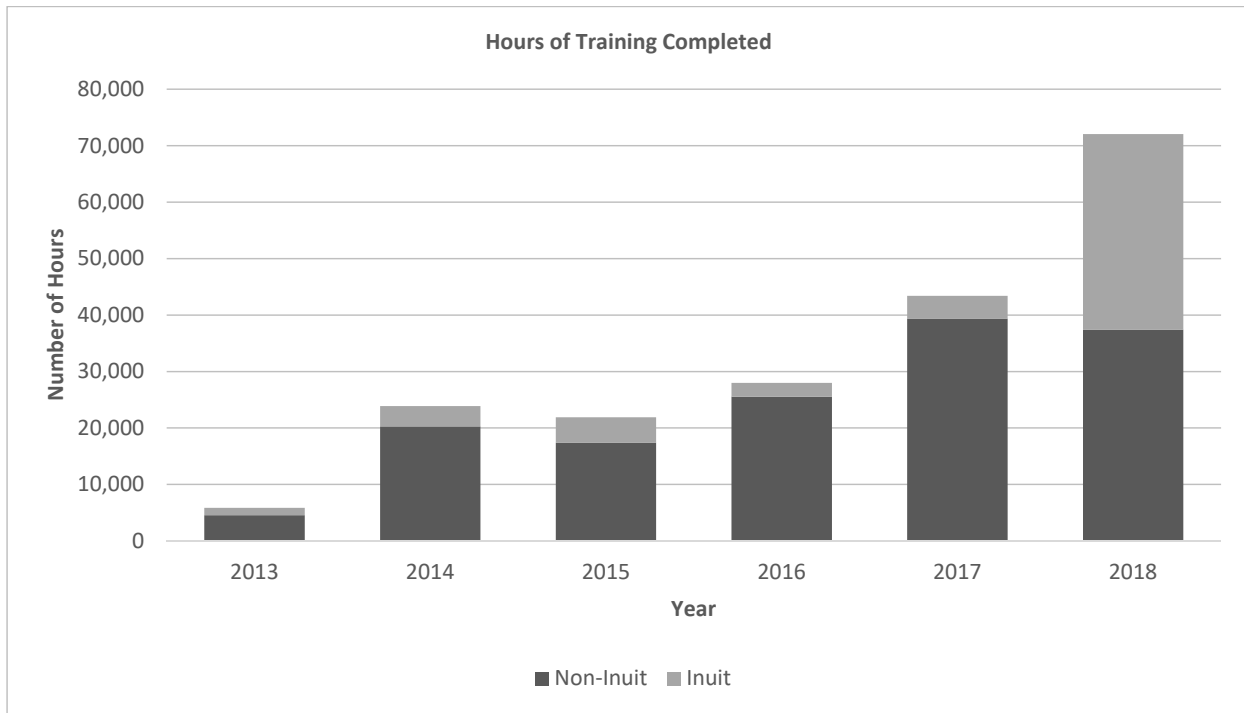
- Baffinland donated laptops to secondary school graduates in the North Baffin LSA communities to help motivate individuals to complete their high school educations. Baffinland provided 38 laptops to new grade 12 graduates in 2018 and 63 laptops in 2017.
- Per Article 8.8 of the IIBA, Baffinland continues contributing to an annual scholarship fund. Five scholarships were awarded to LSA residents in 2018, totalling \$25,000. While no scholarships were awarded in 2017 due to an administration issue, they were subsequently awarded in 2018 (i.e. an additional five scholarships totalling \$25,000 were awarded in 2018).
- Baffinland's School Lunch Program in the North Baffin LSA continued in 2018. Article 7.21 of the IIBA further commits Baffinland to a budget of \$300,000/year in support of the School Lunch Program.
- Baffinland made a \$25,000 donation to Nunavut Arctic College's Environmental Technology Program in 2018.

4.1.5 Hours of Training Completed by Inuit Employees and Contractors

The number of training hours completed by Project employees and contractors is a useful indicator of the magnitude of Baffinland's annual training efforts. Hours of training completed since 2013 by Inuit and non-Inuit are presented in Figure 4-3. In 2018, this indicator began including any training provided in support of Baffinland's Apprenticeship Program, Morrisburg Heavy Equipment Operator (HEO) Training Program, and community-based Work Ready Program, in addition to any other site-based training offered by Baffinland to employees and contractors. In 2018, 72,041 hours of training were completed, of which 34,629 hours (or 48.1%) were completed by Inuit. This represents an increase of 30,605 Inuit training hours compared to 2017. A total of 194,991 hours of training have been completed since Project development, of which 50,496 hours (or 25.9%) were completed by Inuit. These training opportunities likely reflect the commitments Baffinland has made to Inuit training through the IIBA and other initiatives such as the Inuit Human Resources Strategy (IHRS) and Q-STEP program.¹⁴

¹⁴ The IHRS (Baffinland 2018b) is a document developed by Baffinland and QIA that describes goals and initiatives that will be used to increase Inuit employment at the Project over time. Baffinland and QIA were also recently successful in securing funds through Employment and Social Development Canada's (ESDC) Skills and Partnership Fund for their Qikiqtani Skills and Training for Employment Partnership (Q-STEP) training program. Q-STEP is a four-year initiative that will be undertaken by QIA in close partnership with Baffinland to provide Inuit with skills and qualifications to meet the employment needs of the Mary River Project as well as other employment opportunities in the region. The program will consist of both work readiness measures as well as targeted training programs directed at apprenticeships, skills development, supervisor training, and formal certification in heavy equipment operation. The total value of the program is \$19 million. The Government of Canada will provide \$7.9 million, Baffinland will provide \$9.4 million of in-kind support, and Kakivak Association will provide up to \$1.6 million of in-kind support. The Government of Nunavut will also offer operational support to Q-STEP.

Figure 4-3: Hours of Training Completed (2013 to 2018)

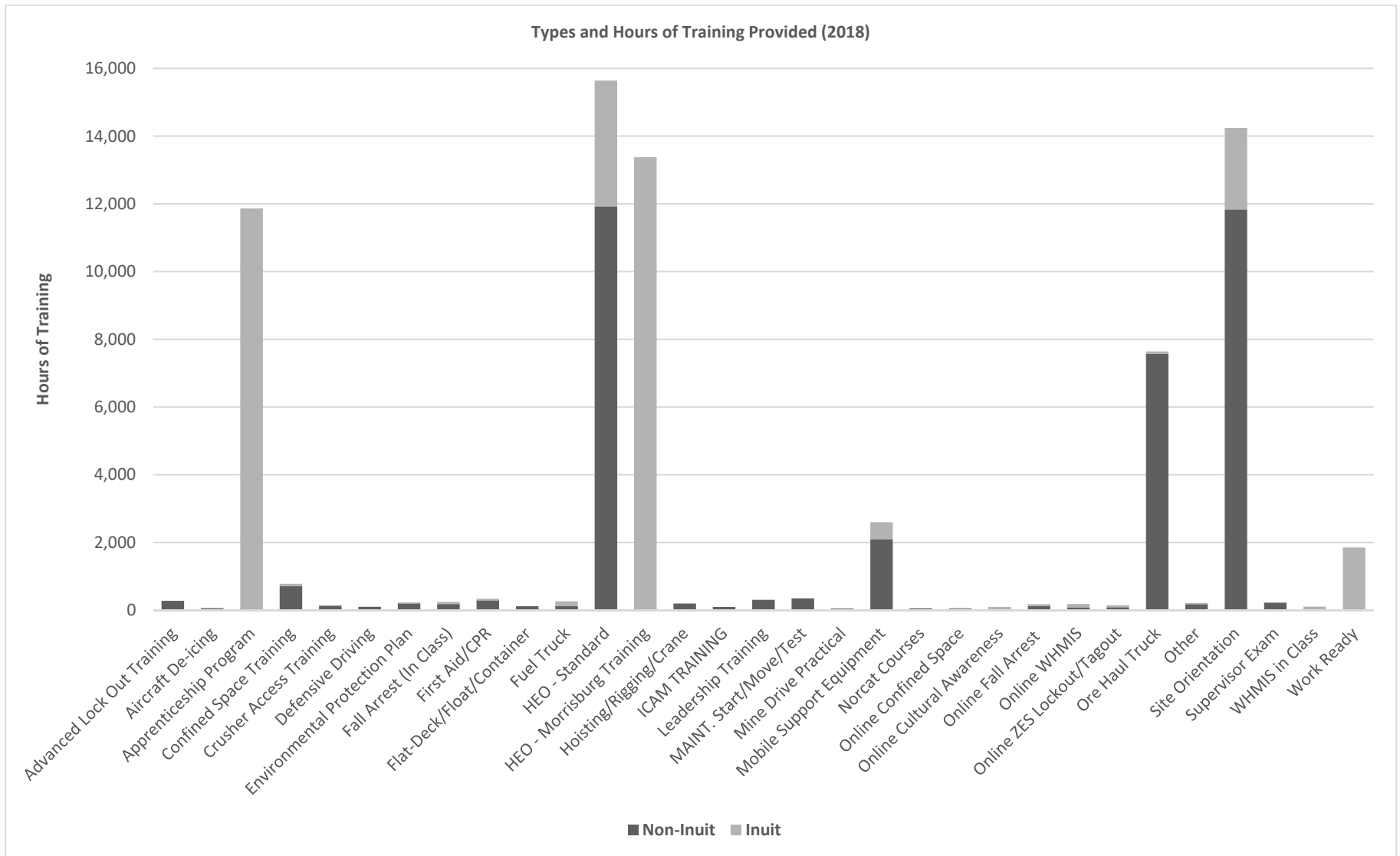


Source: Baffinland

4.1.6 Types of Training Provided to Inuit Employees and Contractors

The types of training provided by Baffinland help reveal the full scope of learning opportunities available at the Project on an annual basis. Types and hours of training provided to Inuit and non-Inuit employees and contractors in 2018 are displayed in Figure 4-4. In 2018, this indicator began including any training provided in support of Baffinland’s Apprenticeship Program, Morrisburg HEO Training Program, and community-based Work Ready Program, in addition to any other site-based training offered by Baffinland to employees and contractors. Training with the highest levels of Inuit participation in 2018 included the Morrisburg HEO Training Program (13,376 hours), Apprenticeship Program (11,862 hours), standard HEO program (3,715 hours), and site orientation (2,406 hours). These training opportunities likely reflect the commitments Baffinland has made to Inuit training through the IIBA and other initiatives such as the IHRS and Q-STEP program.

Figure 4-4: Types and Hours of Training Provided (2018)



Source: Baffinland

Notes: Training programs totalling <50 hours have been included under 'Other'.

4.1.7 Apprenticeships and Other Opportunities

In late 2017, Baffinland launched a new Apprenticeship Program. Participants of the Apprenticeship Program join Baffinland as trades assistants for six months and participate in job shadowing activities to learn about the trade and Baffinland’s operations. Upon successful completion of the six-month term, candidates write their Trades Entrance Exam. Upon successful completion of the exam, candidates are offered full-time, permanent apprenticeship positions with Baffinland. Concluding 2018, nine Inuit apprentices were employed by Baffinland in the Apprenticeship Program. Two Inuit apprentices were in their third year and seven were in the first year of their programs. In 2017, Baffinland employed one Inuit apprentice. Table 4-3 summarizes the number of Inuit apprenticeships at the Project since 2015. These opportunities likely reflect the commitments Baffinland has made to Inuit training through the IIBA and other initiatives such as the IHRS and Q-STEP program.

To further support the Apprenticeship Program and prepare trades assistants for the Trades Entrance Exam, Baffinland also started a Pre-Trades Program with Nunavut Arctic College at site in 2018. The Pre-Trades Program assists individuals in gaining a foundation in the physical sciences and improving their English and Mathematics skills, which are intended to assist these individuals when taking the Trades Entrance Exam. Nine Inuit completed the Pre-Trades Program and passed the Trades Entrance Exam in 2018. Per IIBA Article 7.20, Baffinland has also committed to develop and operate an Inuit Internship Program. This program will operate for a minimum of ten years and will offer a minimum of four internship positions per year, two of which will be for occupations outside the traditional trades and heavy equipment operation. Likewise, per IIBA Article 7.19, Baffinland makes summer employment opportunities available to Inuit students. In 2018, Baffinland hired four Inuit summer students in the communities of Arctic Bay, Hall Beach, Igloolik, and Iqaluit to assist the Northern Affairs team and gain office work experience.

Table 4-3: Inuit Apprenticeships at the Project (2015 to 2018)

Inuit Apprenticeships at the Project			
2015	2016	2017	2018
4	1	1	9

Source: Baffinland

4.1.8 Employee Education and Pre-Employment Status

Project Certificate Term and Condition No. 140 requests that Baffinland collect information on employee education and pre-employment status. Baffinland has developed a voluntary Inuit Employee Survey to address this topic. The latest version of this survey was administered by BCLOs in each of the North Baffin LSA communities in January/February 2019. A total of 71 surveys were completed by Inuit employees and contractors.

Table 4-4 summarizes results on the highest level of education obtained by survey respondents ($n=71$). 49.3% of respondents had less than a high school education. 16.9% had a high school diploma or equivalent, 4.2% had an apprenticeship or trades certificate or diploma, and 15.5% had a college or other non-university certificate or diploma. 0.0% had any type of university certificate or diploma, and 14.1% of respondents had unknown educational levels. When ‘unknown’ results are removed, 57.4% had less than a high school education, 19.7% had a high school diploma or equivalent, and 23.0% had higher than a high school diploma or equivalent.

Furthermore, 64.8% of respondents said they would attend an informational course about managing personal finances, setting up monthly bill payments, and establishing savings goals if it was offered through their employer or local housing association; 25.4% would not; and results were unknown for 9.9% of respondents. When ‘unknown’ results are removed, 71.9% of respondents said they would attend such a course.

Table 4-4: Education Status (2019 Inuit Employee Survey results)

Education Status (Inuit Employee Survey Results)		
Education Status	Number of Respondents	Percentage of Respondents
<i>What is the highest education level you have obtained? (n=71)</i>		
Less than high school	35	49.3%
High school diploma or equivalent	12	16.9%
Apprenticeship or trades certificate or diploma	3	4.2%
College or other non-university certificate or diploma	11	15.5%
University certificate or diploma	0	0.0%
Unknown	10	14.1%
Total	71	100.0%
<i>Would you attend an informational course about managing your personal finances, setting up monthly bill payments, and establishing savings goals if it was offered through your employer or local housing association? (n=71)</i>		
Yes	46	64.8%
No	18	25.4%
Unknown	7	9.9%
Total	71	100.1%

Source: Baffinland

Notes: Total percentages may not equal 100.0% due to rounding.

Table 4-5 summarizes results on the employment status of survey respondents prior to Project employment ($n=71$). 23.9% of respondents resigned from a previous job in order to take up employment with the Project, while 66.2% did not. Results were unknown for 9.9% of respondents. When ‘unknown’ results are removed, 26.6% resigned from a previous job in order to take up employment with the Project while 73.4% did not. Of those respondents that resigned from a previous job in order to take up employment with the Project ($n=17$), 35.3% (or 9.4% of known survey responses) had casual employment status, 17.6% (or 4.7% of known responses) had part-time employment status, and 41.2% (or 10.9% of known responses) had full-time employment status.

Table 4-6 summarizes results on the education status of survey respondents prior to Project employment ($n=71$). 7.0% of respondents were enrolled in an academic or vocational program at the time of their hire at the Project, while 77.5% were not. Results were unknown for 15.5% of respondents. When ‘unknown’ results are removed, 8.3% of respondents were enrolled in an academic or vocational program at the time of their hire at the Project while 91.7% were not. Of those respondents that were enrolled in an academic or vocational program at the time of their hire at the Project ($n=5$), 0.0% (or 0.0% of known survey responses) suspended or discontinued their education because they were hired to work at the Project.

Table 4-5: Employment Status Prior to Project Employment (2019 Inuit Employee Survey results)

Employment Status Prior to Project Employment (Inuit Employee Survey Results)		
Pre-Employment Status	Number of Respondents	Percentage of Respondents
<i>Did you resign from a previous job in order to take up employment with the Mary River Project? (n=71)</i>		
Yes	17	23.9%
No	47	66.2%
Unknown	7	9.9%
Total	71	100.0%
<i>If yes, what was your previous employment status? (n=17)</i>		
Casual	6	35.3%
Part-time	3	17.6%
Full-time	7	41.2%
Unknown	1	5.9%
Total	17	100.0%

Source: Baffinland

Notes: Total percentages may not equal 100.0% due to rounding.

Table 4-6: Education Status Prior to Project Employment (2019 Inuit Employee Survey results)

Education Status Prior to Project Employment (Inuit Employee Survey Results)		
Pre-Employment Status	Number of Respondents	Percentage of Respondents
<i>Were you enrolled in an academic or vocational program at the time of your hire at the Mary River Project? (n=71)</i>		
Yes	5	7.0%
No	55	77.5%
Unknown	11	15.5%
Total	71	100.0%
<i>If yes, did you suspend or discontinue your education because you were hired to work at the Mary River Project? (n=5)</i>		
Yes	0	0.0%
No	5	100.0%
Unknown	0	0.0%
Total	5	100.0%

Source: Baffinland

Notes: Total percentages may not equal 100.0% due to rounding.

Like previous surveys, the individuals who completed Baffinland’s Inuit Employee Survey in 2019 had varied educational and pre-employment backgrounds. 57.4% had less than a high school education, 19.7% had a high school diploma or equivalent, and 23.0% had higher than a high school diploma or equivalent. By comparison, data from the 2016 Census indicate the proportion of the North Baffin LSA’s population (aged 25 to 64 years) with no certificate, diploma or degree was 50.8%; with a secondary school diploma or equivalency certificate was 14.4%; and with a postsecondary certificate, diploma, or degree was 36.0%. Likewise, the proportion of Nunavut’s population (aged 25 to 64 years) with no certificate, diploma or degree was 40.9%; with a secondary school diploma or equivalency certificate was 14.6%; and with a postsecondary certificate, diploma, or degree was 44.4% (Statistics Canada 2017a, b, c, d, e, f, g).

Like previous surveys, some respondents to the 2019 Inuit Employee Survey also indicated they resigned from a previous job in order to take up employment with the Project (26.6% in 2019, 31.4% in 2018, and 20.9% in 2017). For greater reference, Nunavut’s Inuit population participation rate, employment rate, and unemployment rate in December 2018 were 58.1%, 46.0%, and 20.8% respectively (Nunavut Bureau

of Statistics 2019).¹⁵ Likewise, few or no respondents continue to indicate they suspended or discontinued their education because they were hired to work at the Project (0.0% in 2019, 3.1% in 2018, and 0.0% in 2017). Baffinland will continue to track employee education and pre-employment status through an Inuit Employee Survey to see if additional trends emerge.

4.2 EFFECTS AND COMPLIANCE ASSESSMENT

4.2.1 Effects Assessment

There were three residual effects for the Education and Training VSEC assessed in the EIS. Monitoring results applicable to these are summarized in Table 4-7.

Table 4-7: Effects Assessment for the Education and Training VSEC

Residual Effect	Summary	Monitoring Results
Improved Life Skills Among Young Adults	<p>The EIS predicted positive effects on life skills development among young adults in the LSA would arise from the Project. This would occur primarily through access to industrial work supported by pre-employment preparation and on-the-job training.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • Pre-employment training (e.g. Work Ready Program) • On-the-job training • Creation of a supportive work environment • A no drugs/no alcohol policy on site • Inuit Internship Program • Summer student employment • Measures included in the IIBA and IHRS to enhance Inuit employment, training, and skills development at the Project 	<p>In 2018, Baffinland continued to provide various opportunities for life skills development among LSA residents. This included a Work Ready Program (59 graduates) and employment (379,956 hours worked by LSA residents) and training opportunities (34,629 hours of training completed by Inuit). Since Project development, there have been 336 graduates of Baffinland pre-employment training programs, 1,833,574 hours have been worked by LSA residents, and 50,496 hours of training have been provided to Inuit. These opportunities are notable, especially when considering the lack of employment and training opportunities that have historically existed in the LSA. Furthermore, Baffinland strives to maintain a healthy and supportive work environment and provides access to counselling and support resources. While not all individuals who received pre-employment training, employment, and other training opportunities from Baffinland can be considered ‘youth’, it can reasonably be assumed that: a) some youth were included in this group, and b) some other individuals stood to benefit from the life skills development opportunities that were provided. It is further acknowledged that life skills development for some individuals can take time to be achieved. However, there are indications that</p>

¹⁵ These are 3-month moving averages ending in December 2018. The Nunavut Bureau of Statistics (2009) defines the ‘participation rate’ as the total labour force expressed as a percentage of the population aged 15 years and over. The ‘labour force’ is defined as the civilian non-institutional population 15 years of age and over who were employed or unemployed. ‘Employment rate’ is defined as the number of employed persons expressed as a percentage of the population 15 years of age and over. ‘Employed persons’ are defined as those who (a) did any work at all at a job or business, that is paid work in the context of an employer-employee relationship, or self-employment; or (b) had a job but were not at work due to factors such as own illness or disability, personal or family responsibilities, vacation, labour dispute or other reasons (excluding persons on layoff, between casual jobs, and those with a job to start at a future date). The ‘unemployment rate’ is defined as the number of unemployed persons expressed as a percentage of the labour force. ‘Unemployed persons’ are defined as those who (a) were on temporary layoff with an expectation of recall and were available for work; or (b) were without work, had actively looked for work in the past four weeks, and were available for work; or (c) had a new job to start within four weeks and were available for work.

		positive effects on life skills development among young adults in the LSA continue to result from the Project, as predicted in the EIS. There is no evidence to suggest mitigation measures need to be modified at this time.
Incentives Related to School Attendance and Success	<p>The EIS predicted the Project would have a positive effect on education and skills development across the LSA by providing incentives related to school attendance and success. While there is some potential that individuals may drop out of school or forego further education to work at the Project, the overall effect of the Project will be to increase the value of education and thereby the ‘opportunity cost’ of dropping out of school.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • The establishment of a minimum age (i.e. 18) for Project employment • Priority hiring for Inuit • Investments in school-based initiatives (e.g. laptop donations, scholarships, school lunch program) • Measures included in the IIBA and IHRS to enhance Inuit employment, training, and skills development at the Project 	Monitoring data on secondary school graduates and graduation rates are currently not consistent with the presence of positive Project effects, as decreasing numbers of secondary school graduates in the LSA and decreasing graduation rates in the Qikiqtaaluk Region have occurred since Project development. However, school attendance and success can be influenced by many socio-economic factors. Correlations between Project effects and school attendance and success may only come to light with the analysis of additional data. Regardless, Baffinland continues to make investments in various school-based initiatives (e.g. laptop donations to secondary school graduates, scholarships, school lunch program) which are believed to provide incentives in this area. Project employment opportunities may motivate individuals to complete their educations to improve their chances at obtaining a desired career. Project employment may also contribute to role-modelling behaviour in communities. There is no evidence to suggest mitigation measures need to be modified at this time. However, this indicator will continue to be monitored for emerging trends.
Opportunities to Gain Skills	<p>The EIS predicted the Project would have a positive effect on education and skills development, by providing opportunities for training and skills acquisition among LSA residents.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • Provision of various training programs • Upgrading and career development opportunities • Career counselling to employees • Measures included in the IIBA and IHRS to enhance Inuit employment, training, and skills development at the Project • Commitment to contribute \$10 million toward the Baffinland Inuit Training Centre 	In 2018, Baffinland continued providing training and skills development opportunities to Inuit. This included 34,629 hours of training in dozens of training programs. Nine Inuit apprentices were also employed by Baffinland and four Inuit summer students were hired. A total of 50,496 hours of training have been provided to Inuit since Project development. Furthermore, Project employees are regularly exposed to various ‘informal’ training and skills development opportunities through contact with more experienced coworkers and the process of everyday work. Several other initiatives have (or are expected to) contribute to the development of a more experienced Inuit workforce including training opportunities identified in the IIBA, IHRS, and Q-STEP program. This includes the delivery of pre-employment training, employee skills upgrading courses (e.g. GED, literacy and numeracy), training in apprenticeships and heavy equipment operation, and various career advancement programs for existing employees. The opportunities provided by the Project are notable, particularly when considering the existing skills gaps and limited employment options in many parts of Nunavut. Available information suggests the Project has had a positive effect on education and skills development among LSA residents, as was predicted in the EIS. There is no evidence to suggest mitigation measures need to be modified at this time.

4.2.2 Compliance Assessment

There is one Term and Condition in the Project Certificate pertaining to monitoring of the Education and Training VSEC. The status of this is summarized in Table 4-8.

Table 4-8: Terms and Conditions for Monitoring the Education and Training VSEC

Term and Condition No.	Description	Status
140	The Proponent is encouraged to survey Nunavummiut employees as they are hired and specifically note the level of education obtained and whether the incoming employee resigned from a previous job placement or educational institution in order to take up employment with the Project.	Baffinland has implemented an Inuit Employee Survey, which collects information related to current education levels of employees and contractors, and their employment and education status prior to taking up employment with the Project. This Term and Condition is more fully addressed in the following section of this report: Section 4.1.8.

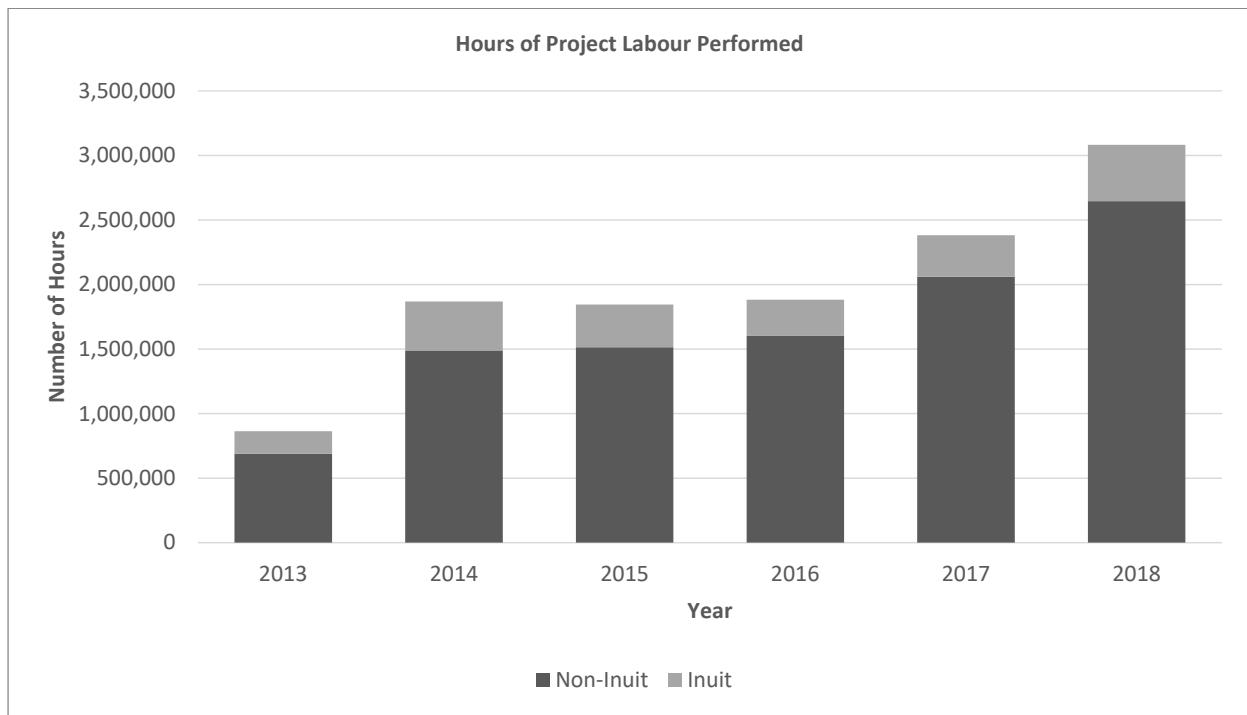
5. LIVELIHOOD AND EMPLOYMENT

5.1 INDICATOR DATA AND ANALYSIS

5.1.1 Hours of Project Labour Performed

The total hours of Project labour performed each year is a useful indicator of the Project's overall labour demand. It also helps reveal the extent to which new job opportunities have become available to LSA residents. Figure 5-1 presents the hours of Project labour performed by employees and contractors since 2013. In 2018, 3,081,740 hours of labour were performed, which is equal to approximately 1,529 full time equivalent (FTE) positions.¹⁶ There were 700,750 more hours of labour performed in 2018 than in 2017. A total of 11,919,376 hours of labour have been performed since Project development.

Figure 5-1: Hours of Project Labour Performed (2013 to 2018)



Source: Baffinland

5.1.2 Project Hours Worked by LSA Employees and Contractors

When disaggregated, data on hours worked on the Project can provide insight into the varying labour contributions of LSA and non-LSA employees and contractors. Table 5-1 summarizes the number and percentage of hours worked by individuals on the Project in 2018. Table 5-1 also includes information on the origin and ethnicity of these individuals, where applicable. In 2018, 379,956 hours were worked by LSA residents (both Inuit and non-Inuit), representing 12.3% of total hours worked on the Project (i.e. 3,081,740) or approximately 188 FTEs. Of this, 287,040 hours were worked by North Baffin LSA

¹⁶ FTEs are calculated assuming 2,016 hours of employment per person annually, which reflects a typical 2-week on/2-week off rotation (i.e. 24 weeks multiplied by 84 hours per week; this calculation also assumes 2 weeks holidays are taken by each employee).

residents (representing 9.3% of the total) and 92,916 hours were worked by Iqaluit residents (representing 3.0% of the total). Project hours worked by North Baffin LSA residents increased (by 57,382 hours) from 2017, as did Project hours worked by Iqaluit residents (by 9,506 hours). Inuit individuals worked 435,908 hours in 2018, representing 14.1% of total hours worked on the Project or approximately 216 FTEs; this is 114,882 hours more than 2017. These LSA employment opportunities likely reflect the commitments Baffinland has made to Inuit employment through the IIBA and other initiatives such as the IHRS.

Table 5-1: Hours of Project Labour Performed (2018)

Hours of Project Labour Performed (2018)		
Employee Ethnicity & Origin	Hours Worked	% of Total (3,081,740)
Inuit – North Baffin LSA	287,040	9.3%
Inuit – Iqaluit	81,432	2.6%
Inuit – Other	67,436	2.2%
Inuit (Total)	435,908	14.1%
Non-Inuit – North Baffin LSA Communities	0	0.0%
Non-Inuit – Iqaluit	11,484	0.4%
Non-Inuit – Other	2,634,348	85.5%
Non-Inuit (Total)	2,645,832	85.9%
TOTAL	3,081,740	100.0%

Source: Baffinland

5.1.3 Inuit Employee Promotions

The number of Inuit employee promotions is an important indicator of career progression at the Project. Data on Baffinland Inuit employee promotions (not including contractors) since 2014 are presented in Table 5-2. In 2018, six Inuit employee promotions occurred, which is three more promotions than occurred in 2017.

To guide current employee progression planning, Baffinland has a ‘Lines of Progression Policy’. The purpose of this policy is to ensure employees and managers/supervisors clearly understand the interrelationship between roles, the pathways for promotion, and accompanying policies and procedures. Furthermore, Article 7.15 of the IIBA commits Baffinland to developing career path development plans for every Inuk employee and developing career paths for each department. Baffinland is in the process of developing these in collaboration with the Mining Industry Human Resources Council and IIBA Employment Committee. Outcomes in this area will continue to be monitored.

Table 5-2: Baffinland Inuit Employee Promotions (2014 to 2018)

Baffinland Inuit Employee Promotions	
Year	Number of Promotions
2014	9
2015	14
2016	14
2017	3
2018	6

Source: Baffinland

Notes: Includes temporary promotions.

5.1.4 Inuit Employee Turnover

Inuit employee turnover data provide additional insight into Inuit career progression at the Project. The term ‘turnover’ is inclusive of many different components including resignation, layoff, termination, end of contract, and retirement. High turnover suggests fewer individuals are maintaining stable employment; this may reduce opportunities for career advancement. Low turnover, conversely, suggests a greater number of individuals are maintaining stable employment; this may increase opportunities for career advancement. Table 5-3 displays information on Baffinland employee departures since 2013 (not including contractors).

Table 5-3: Baffinland Employee Departures (2013 to 2018)

Baffinland Employee Departures				
Year	Inuit Employees		Non-Inuit Employees	
	Number of Departures	Turnover Rate (Approximate)	Number of Departures	Turnover Rate (Approximate)
2013	9	—	—	—
2014	45	—	—	—
2015	41	—	165	—
2016	44	45%	210	39%
2017	42	45%	211	31%
2018	45	30%	221	28%

Source: Baffinland

Notes: 2013-2014 numbers are for indeterminate employees only and information for non-Inuit employees was unavailable. Comparable employee turnover rates for 2013-2015 are not provided, due to differences in how employee numbers and departures were previously calculated by Baffinland.

In 2018, there were 45 Inuit employees whose employment with Baffinland ended for various reasons. This equates to an approximate 30% Inuit employee turnover rate, which is higher than the approximate 28% non-Inuit employee turnover rate documented for 2018.¹⁷ Common reasons Inuit employees had for resigning in 2018 included work-life balance, organizational culture, compensation/better employment prospects, parental leave (not returning), and position closer to home. Some of these reasons were similar to those identified in 2017 (i.e. family/personal issues, obtaining a job in their home community, finding rotational work difficult (particularly on family life), and the work/camp environment). Common reasons for Inuit turnover due to dismissal by Baffinland or for involuntary terminations in 2018 included workplace conduct, performance, absenteeism, unfit for duty, and end of contract. Some of these reasons were similar to those identified in 2017 (i.e. absenteeism, safety-related occurrences, being unfit for duty/performance, and not passing probation).

High rates of employee turnover have been an issue for other Nunavut organizations in the past, including the Government of Nunavut and Agnico Eagle Mines Limited (e.g. Bell 2012, Government of Nunavut 2014, Stratos 2017). Baffinland continues to monitor employee turnover causes and outcomes and has committed to reducing turnover and increasing Inuit employment as the Project advances. Baffinland has developed several initiatives to reduce Inuit turnover at the Project through its IHRS, including (but not limited to) instituting a mid-probationary review program to evaluate new employee

¹⁷ The employee turnover rate has been calculated using guidance provided by Taylor (2002). For example, the 2018 Inuit employee turnover rate was calculated by dividing the total number of Inuit employee departures in the calendar year (45) by the average number of Inuit employees employed in the same calendar year (151 – see Table 3-6), multiplied by 100. However, this method may provide a conservative (i.e. higher than actual) estimation of turnover because the number of departures reported by Baffinland may include head office staff who are not captured in Table 3-6.

performance and identify potential issues, consideration of alternative rotation schedules better aligned with familial and community activities, placing greater emphasis upon cultural awareness training and cultural activities, providing formalized support systems for Inuit employees, and implementing effective employee concern and workplace conditions review processes.

In 2018, Baffinland began tracking the rehiring of Inuit at the Project. A rehire constitutes an employee who departed the Project workforce voluntarily or involuntarily and was rehired as an employee of Baffinland. These data do not include rehiring that may have been carried out by contractors. In 2018, 22 Inuit were rehired by Baffinland.

5.1.5 Hours Worked by Female Employees and Contractors

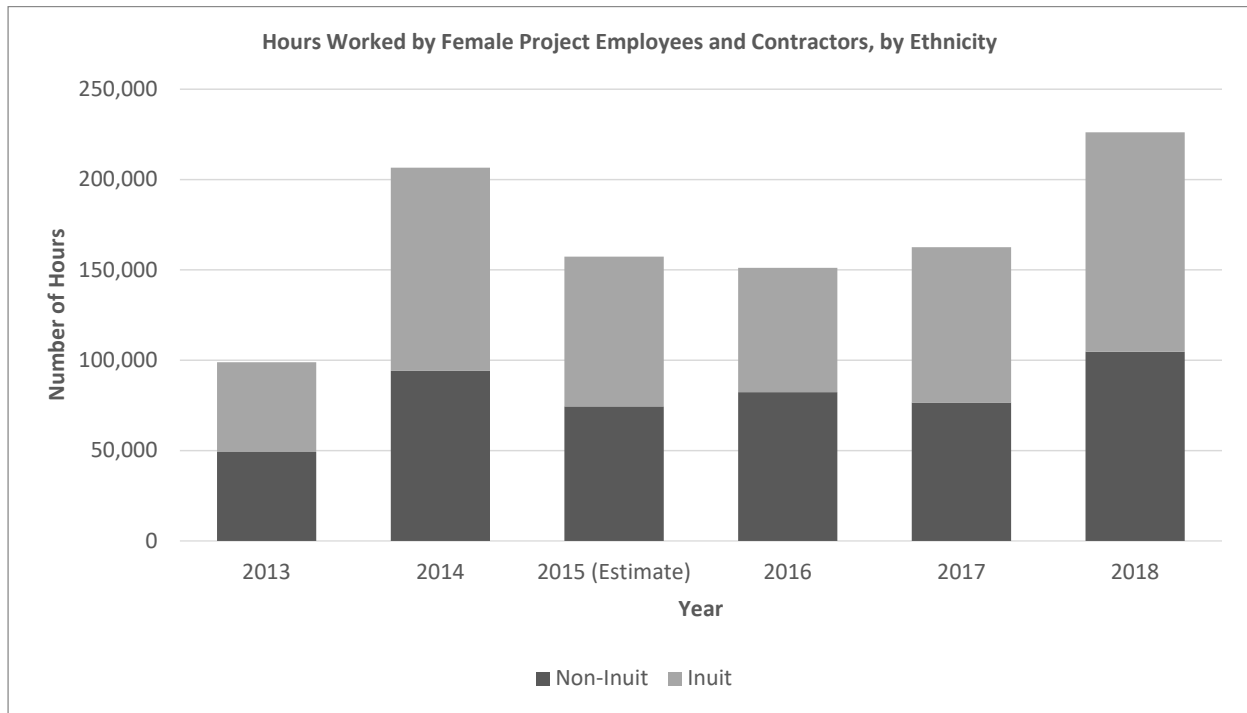
The number of hours worked by female employees and contractors on the Project provides insight into potential employment barriers females may face compared to their male counterparts. Table 5-4 displays the hours (and percentage of hours) worked by women and men on the Project in 2018, while Figure 5-2 displays total hours worked by women on the Project since 2013. In 2018, 226,080 hours (or 7.3% of total hours worked on the Project) were worked by women, which is 63,530 hours more than documented for 2017. The percentage of hours worked by Inuit and non-Inuit women in 2018 were similar (3.9% and 3.4%, respectively). However, the percentage of hours worked by Inuit women compared to Inuit men on the Project (approximately 27.8% of this total) was much higher than non-Inuit women compared to non-Inuit men (approximately 3.9% of this total) in 2018. A similar trend was noted from 2013 to 2017.

Table 5-4: Hours Worked by Project Employees and Contractors, by Ethnicity and Gender (2018)

Hours Worked by Project Employees and Contractors, by Ethnicity and Gender (2018)		
Employee Ethnicity and Gender	Hours Worked	% of Total (3,081,740)
Inuit	Male	314,530
	Female	121,378
Non-Inuit	Male	2,541,130
	Female	104,702
Total	3,081,740	100.0%

Source: Baffinland

Figure 5-2: Hours Worked by Female Project Employees and Contractors, by Ethnicity (2013 to 2018)



Source: Baffinland

Notes: In 2015, gender data were only available for Q4; 2015 annual information is thus an estimate and has been calculated by multiplying Q4 data by 4.

Women remain under-represented in the Canadian mining industry as a whole. The Mining Industry Human Resources Council (2016) notes women comprise only 17% of the total Canadian mining workforce, which is significantly lower than the total participation of women in the general Canadian workforce, at 48%. Indigenous women are also less likely than non-Indigenous women to be employed in Canada (Arriagada 2016). Baffinland has committed to developing several measures that encourage Inuit female employment and retention at the Project. Goals and priorities in this area were finalized with the QIA in the IHRS and through renegotiation of the IIBA in 2018. For example, Article 7.17 of the IIBA obligates Baffinland to implement human resources policies that ensure equal access to employment for Inuit men and women. Likewise, Article 11.5 of the IIBA addresses affirmative steps Baffinland will take for attracting female employees. The success of IHRS and IIBA initiatives on Inuit female employment and retention will continue to be tracked by Baffinland.

5.1.6 Childcare Availability and Costs

It has been noted that securing access to adequate childcare is an issue for some individuals in Nunavut and can act as a barrier to employment for women (e.g. Pauktuutit et al. 2014; Sponagle 2016). The national non-profit organization representing Inuit women in Canada, Pauktuutit (undated), further notes “an additional barrier for [Inuit] women attaining lasting, full-time employment is inadequate childcare facilities for rotational work schedules”. However, appropriate community-level indicator data are currently unavailable for this topic. As such, this topic continues to be tracked through the QSEMC process and community engagement conducted for the Project. Comments on the lack of childcare in LSA communities and the barriers to employment it may create have been made previously by Project

stakeholders (e.g. JPCSL 2017, 2018). Some stakeholder comments on childcare were also expressed in 2018:

But I think I saw this last year. But there's... no progress regarding daycare concern. We need daycare... when our wives leave, we need babysitters to look after our children that we've left behind... I'm a senior myself if I -- like, for Baffinland, if they're not giving out monies for daycare purposes, there's -- the Inuit employment is increasing, yes, but the other benefits are not coming into play... I think we need to make a recommendation... for the communities to be looked after properly. And Baffinland -- there's a barrier... that cannot be broken. [2018 IIBA Annual Project Review Forum Participant]

Iqaluit has seen some in-migration from other communities. Some have partners working at the mine and they hope to find employment and childcare. [2018 QSEMC Meeting Participant]

Not enough jobs available in Grise Fiord, we have no daycare. The daycare closed and now we are really hoping we can get another daycare opened. [2018 QSEMC Meeting Participant]

Inadequate access to childcare in Nunavut and the barriers to employment for women it can create are acknowledged. The Project has helped address some issues associated with childcare costs. For one, Project incomes can provide families with enhanced financial capacity that may make childcare more accessible. A subsidy for daycare for Qikiqtani families was also announced by the QIA that is funded indirectly and in part by the Mary River Project, through the *QIA Legacy Fund* and *QIA Benefits Fund*.¹⁸ The subsidy provides assistance for approximately 200 childcare spaces, is worth up to \$2,500/child per year in savings to parents, and represents a total investment of nearly \$500,000/year by QIA. The subsidy will be offered on a trial basis until March 2020 (QIA 2018).

Baffinland also directly supports two funds established under the IIBA, which could potentially be accessed to provide additional supports to community daycares or childcare services in the LSA. While Baffinland makes significant financial contributions to these funds, they are administered solely and exclusively by the QIA. The funds include the Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat (INPK) Fund (which provides up to \$1.1 million/year for community wellness-focused projects in the North Baffin) and the Business Capacity and Start-Up Fund (which provides up to \$275,000/year to Inuit Firms to assist with locating start-up capital and financing, management development, ongoing business management, financial management, contracts and procurement, and human resources management).

¹⁸ As noted in QIA (2017), the *QIA Legacy Fund* is designed to invest money for the future and help reduce Inuit reliance on outside funding over time by creating an internal pool of revenue for benefits and programs. It has been designed to ensure revenues placed in it are not used for QIA operational purposes, thereby protecting long-term benefits for Inuit. Money QIA invests into the Legacy Fund includes IIBA payments from major projects such as the Mary River Project, money received from NTI from the mining of Inuit owned minerals, money received from sand and gravel projects on Inuit owned land, dividends from Qikiqtaaluk Corporation and the Nunasi Corporation, money received from any investments of the Legacy Fund, and surplus revenues from the QIA's Economic Development Fund, which is designed to receive money from licenses and leases on Inuit Owned Land. The *QIA Benefits Fund* is used to deliver programs to Inuit. As the Legacy Fund grows, revenues from it go to the Benefits Fund to increase programs for Inuit. The Benefits Fund is designed to receive annual payments from the Legacy Fund so QIA can ensure a stable base of funding to run programs even if revenues change over time. The fund also allows for programs to expand in the future as the invested money grows.

5.3 EFFECTS AND COMPLIANCE ASSESSMENT

5.2.1 Effects Assessment

There were three residual effects for the Livelihood and Employment VSEC assessed in the EIS. Monitoring results applicable to these are summarized in Table 5-5.

Table 5-5: Effects Assessment for the Livelihood and Employment VSEC

Residual Effect	Summary	Monitoring Results
Creation of Jobs in the LSA	<p>The EIS predicted the Project would have a positive effect on wage employment in the LSA (i.e. a 5%+ change in baseline labour) by introducing new job opportunities and assisting local residents to access these jobs. Under baseline conditions, the labour markets of the North Baffin LSA and Iqaluit were estimated to generate a labour demand of 2.0 million and 4.7 million hours per year, respectively. 5% of these values would equal 335,000 hours per year (i.e. 100,000 hours in the North Baffin LSA and 235,000 hours in Iqaluit). The Project was predicted to generate a total labour demand of approximately 0.9 million hours per year during ERP operations. With the addition of the 18 Mt/a phase, annual labour demand would increase to 2.9 million hours. Labour demand during construction would average roughly 4.1 million hours per year over a six-year period but peak at approximately 7.3 million hours per year. Closure phase labour demand estimates do not currently exist but will be developed by Baffinland in the future.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • Designation of all LSA communities as points-of-hire 	<p>In 2018, the Project continued to generate substantial labour demand and employment opportunities. The generation of 3,081,740 hours of Project labour in 2018 is in line with the EIS prediction of a 5%+ change in baseline labour (i.e. at least 335,000 hours created per year). As such, the positive effect on LSA job creation predicted to occur in the EIS is confirmed.</p>
Employment of LSA Residents	<p>The EIS predicted the Project would have a positive effect on wage employment in the LSA (i.e. a 5%+ change in baseline labour) by introducing new job opportunities and assisting local residents to access these jobs. This equates to at least 335,000 hours of new employment being created per year, in a baseline environment that was estimated to create 6.7 million hours of labour per year. The Project was predicted to result in the employment of an estimated 300 LSA residents each year. These residents would supply approximately 342,000 hours of labour per year to the Project, of which 230,000 hours would be provided by North Baffin LSA residents and 112,000 hours would be provided by Iqaluit residents.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • Management commitments and Company policies related to Inuit employment and 	<p>In 2018, a total of 379,956 hours were worked by LSA residents on the Project. 287,040 hours were worked by North Baffin LSA residents and 92,916 hours were worked by Iqaluit residents. While 2018 LSA employment numbers are largely consistent with EIS predictions, Iqaluit employment was somewhat less than predicted. Baffinland has committed to improving its Inuit employment levels over time. This is expected to occur through ongoing implementation of IIBA provisions on Inuit employment and retention, and implementation of Baffinland's IHRS. This document describes several goals and initiatives to increase Inuit employment at the Project. Likewise, Baffinland's Apprenticeship Program, Morrisburg HEO Training Program, Inuit Internship Program, Work Ready Program, and other initiatives are anticipated to improve Inuit employment levels over time. Ongoing monitoring of employment levels against EIS predictions and the</p>

	<p>retention, including commitments made in the IIBA and IHRS</p> <ul style="list-style-type: none"> • Designation of all LSA communities as points-of-hire • Training-to-employment programs such as Baffinland’s Apprenticeship Program, Morrisburg HEO Training Program, Inuit Internship Program, and Work Ready Program • Hiring of Inuit Recruiters • Creation of a supportive work environment (e.g. EFAP, Cultural Advisors, Human Resource Advisors – Inuit Relations, on-site cultural initiatives) 	<p>IIBA’s MIEG will provide a means of tracking the success of Baffinland’s efforts in this area.</p> <p>Comments shared during community engagement for the Project have highlighted the importance of employment opportunities in the LSA and the desire for this Project benefit to continue. Insights such as these, combined with the data presented above, confirm the Project has had positive effects on employment of LSA residents. However, it could take several years to fully realize the Project’s Inuit employment potential and for the success of mitigation measures to ultimately be determined.</p>
New Career Paths	<p>The EIS predicted the Project would have a positive effect on the ability of LSA residents to progress in their jobs and careers. This effect would occur because of new career paths introduced to the region, from entry-level through step-by-step advancement to higher-level jobs.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • Management commitments and Company policies related to Inuit employment and retention, including commitments made in the IIBA and IHRS • Training-to-employment programs such as Baffinland’s Apprenticeship Program, Morrisburg HEO Training Program, Inuit Internship Program, and Work Ready Program • Career support and advancement initiatives, including career path development plans for every Inuk employee and career paths for each Baffinland department (in development) • A ‘Lines of Progression Policy’ • Creation of a supportive work environment (e.g. EFAP, Cultural Advisors, Human Resource Advisors – Inuit Relations, on-site cultural initiatives) 	<p>Six Inuit were promoted to new positions in 2018. Some Project careers represent an opportunity for individuals to improve their existing employment status (e.g. from unemployed to employed, from part-time to full-time, from lower-skilled to higher-skilled positions) and/or may form the basis of future promotion and advancement at the Project. The career opportunities introduced to the region represent a positive effect of the Project and likely reflect the commitments and mitigation measures Baffinland has developed in this area. However, there were several Baffinland Inuit employee departures in 2018 (45 individuals) and high turnover has been documented in previous years (although 22 Inuit were also rehired in 2018). High rates of employee turnover have also been an issue for other Nunavut organizations in the past. Baffinland continues to monitor employee turnover causes and outcomes and has committed to reducing turnover, increasing Inuit employment, and providing opportunities for Inuit career advancement where feasible. However, it could take several years to fully realize the Project’s Inuit employment potential and for the success of mitigation measures to ultimately be determined.</p>

5.2.2 Compliance Assessment

There is one Term and Condition in the Project Certificate pertaining to monitoring of the Livelihood and Employment VSEC. The status of this is summarized in Table 5-6.

Table 5-6: Terms and Conditions for Monitoring the Livelihood and Employment VSEC

Term and Condition No.	Description	Status
145	The Proponent is encouraged to work with the GN and the QSEMC to monitor the barriers to employment for women, specifically with respect to childcare availability and costs.	Baffinland has presented information on hours worked by female employees and contractors on the Project in the Socio-Economic Monitoring Report. Some information on childcare availability and costs is also presented. Employment levels can be influenced by many factors, including the existence of barriers faced by certain demographic groups. Inadequate access to childcare in the LSA may be

		<p>creating some barriers to increased employment of women at the Project. However, the new employment opportunities being created for women in the LSA because of the Project should be acknowledged. Baffinland is also developing measures that encourage Inuit female employment and retention at the Project. Goals and priorities in this area were finalized with the QIA in the IHRS and through renegotiation of the IIBA in 2018. The success of IIBA and IHRS initiatives will continue to be tracked by Baffinland. This Term and Condition is more fully addressed in the following sections of this report: Section 5.1.5 and Section 5.1.6.</p>
--	--	--

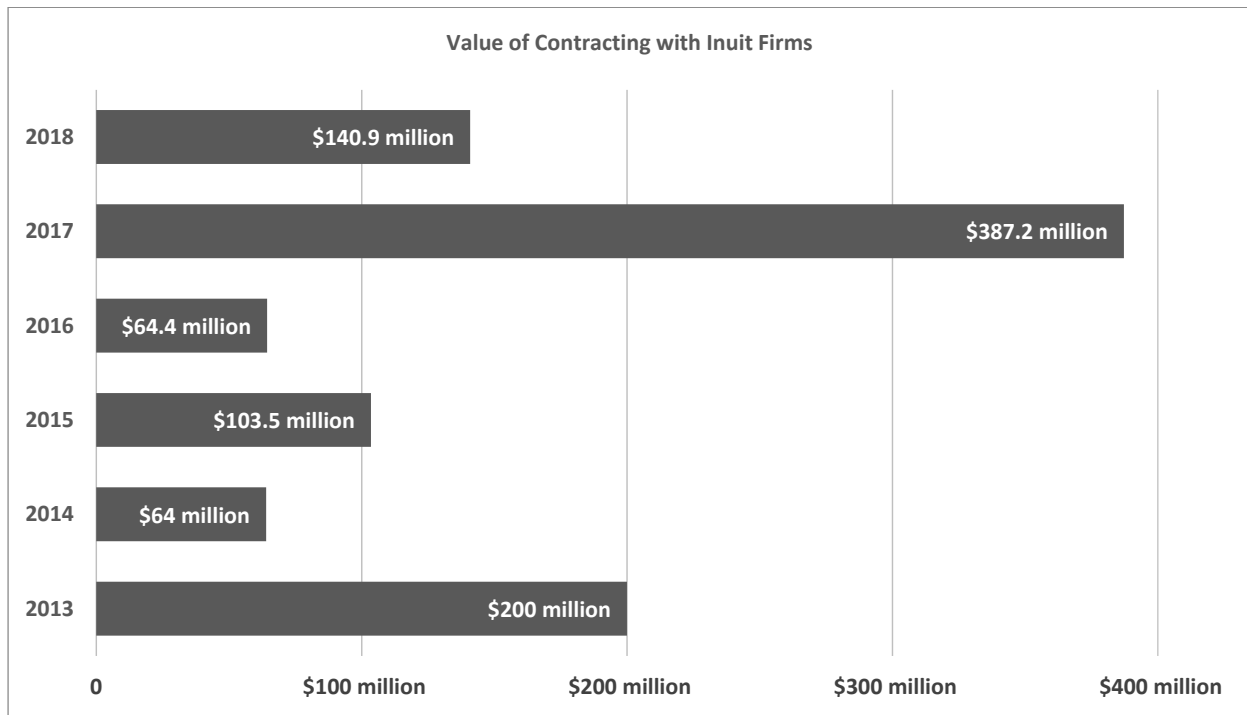
6. CONTRACTING AND BUSINESS OPPORTUNITIES

6.1 INDICATOR DATA AND ANALYSIS

6.1.1 Value of Contracting with Inuit Firms

The value of contracting with Inuit Firms is a useful indicator of the business opportunities created by the Project. Figure 6-1 displays the value of contracting that has occurred with Inuit Firms since 2013. Approximately \$140.9 million in contracts were awarded to Inuit Firms in 2018; of this, \$123.1 million in contracts were awarded to Inuit Firms in the LSA. Overall Inuit Firm contracting values in 2018 were lower than in 2017 by \$246.3 million. Contract values with Inuit Firms were noted by Baffinland to be lower in 2018 partially due to several large construction contracts awarded to Inuit Firms in 2017. Total contracting (with Inuit and non-Inuit firms) in 2018 totaled \$415.1 million. Since Project development, a total of \$960.0 million worth of contracts has been awarded to Inuit Firms. These contracting opportunities likely reflect the commitments Baffinland has made on Inuit Firm procurement through the IIBA and other initiatives such as the IPCS. The differing values in Figure 6-1 also reflect the construction activities that have occurred at various times on site. Contract awards are higher during years when construction projects are being undertaken at the Project.

Figure 6-1: Contracting with Inuit Firms (2013 to 2018)



Source: Baffinland

Notes: 1) Values may be inclusive of amounts committed to through existing contracts, but not yet spent. 2) Prior to 2018, reporting was focused on 'value of procurement with Inuit-owned businesses and joint ventures'. This reporting focus was changed in 2018 to 'value of contracting with Inuit Firms' to better align with IIBA reporting. For the purposes of this figure, these two reporting focuses (and the values they report on) are assumed to be the same. 3) Per the IIBA, 'Inuit Firm' means an entity that qualifies as an 'Inuit Firm' within the meaning of Article 24 of the Nunavut Agreement and further: (i) Is enrolled in the Inuit Firm Registry of Nunavut Tunngavik Inc. maintained pursuant to Section 24.7.1 of the Nunavut Agreement; and (ii) Carries out the majority of its business in the Nunavut Settlement Area.

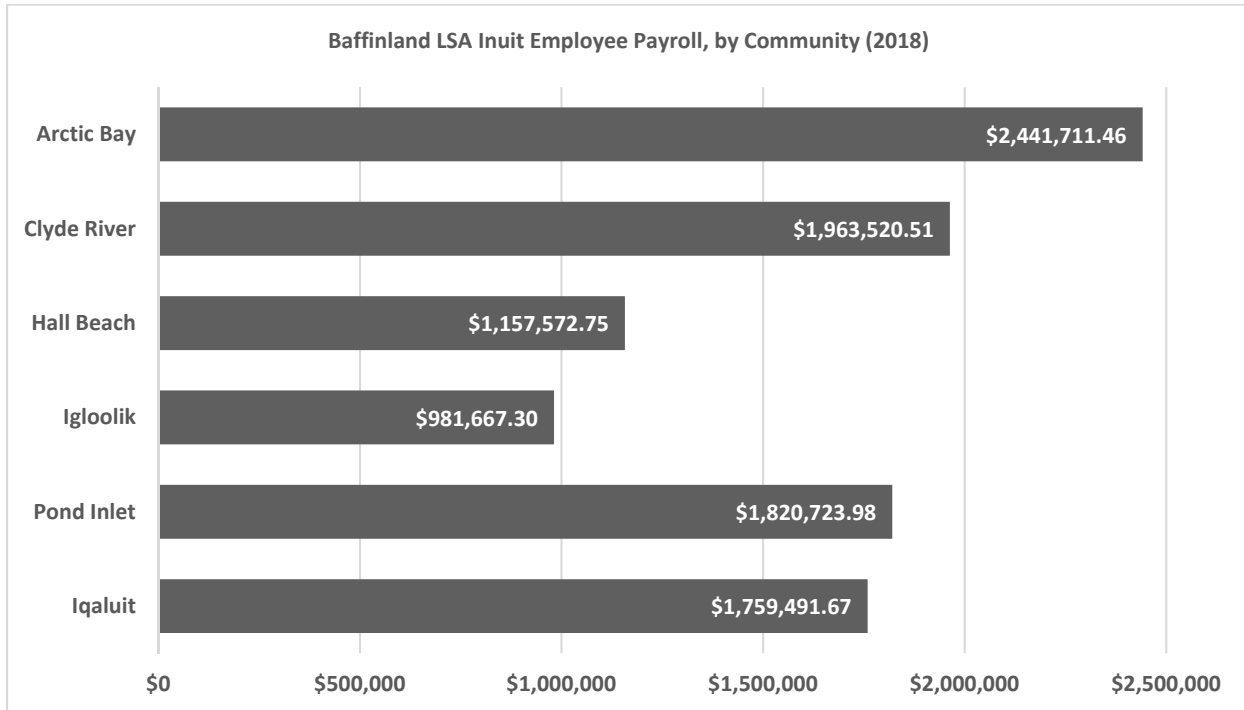
6.1.2 LSA Inuit Employee Payroll Amounts

Payroll expenditures to LSA Inuit employees are a useful indicator of the degree to which an expanded market for consumer goods and services has been created by the Project. Through the creation of employment opportunities in the LSA, the Project has created new sources of economic wealth for LSA residents. It is reasonable to expect that some of this new wealth becomes available for residents to spend on consumer goods and services. Figure 6-2 displays the proportion of Baffinland's Inuit employee payroll earned by each LSA community in 2018 (in Canadian dollars). While contractor wages are not included in these amounts, the value of contracting with Inuit Firms in 2018 was nevertheless substantial and represents another important benefit provided by the Project (see Section 6.1.1). Inuit employee payroll expenditures can be summarized as follows:

- LSA Inuit employee payroll expenditures totaled \$10,124,687.67 in 2018. Compared to 2017, this was an increase of \$3,132,229.53 (however, 2017 values included both Inuit and non-Inuit employees).
- The top three LSA Inuit payroll recipient communities in 2018 (in descending order) were Arctic Bay, Clyde River, and Pond Inlet (in 2017 they were Pond Inlet, Arctic Bay, and Clyde River). The highest earning community (Arctic Bay) received \$2,441,711.46, while the lowest earning community (Igloolik) received \$981,667.30 in 2018.
- Baffinland's total Inuit employee payroll (including Inuit from LSA and non-LSA communities) totaled \$11,952,480.06 in 2018.
- Since 2014, Baffinland has provided \$45,213,845.65 in payroll to Inuit employees.

These Inuit payroll expenditure amounts likely reflect the Inuit employment commitments Baffinland has made through the IIBA and other initiatives like the IHRS.

Figure 6-2: Baffinland LSA Inuit Employee Payroll, by Community (2018)



Source: Baffinland

6.1.3 Number of Registered Inuit Firms in the LSA

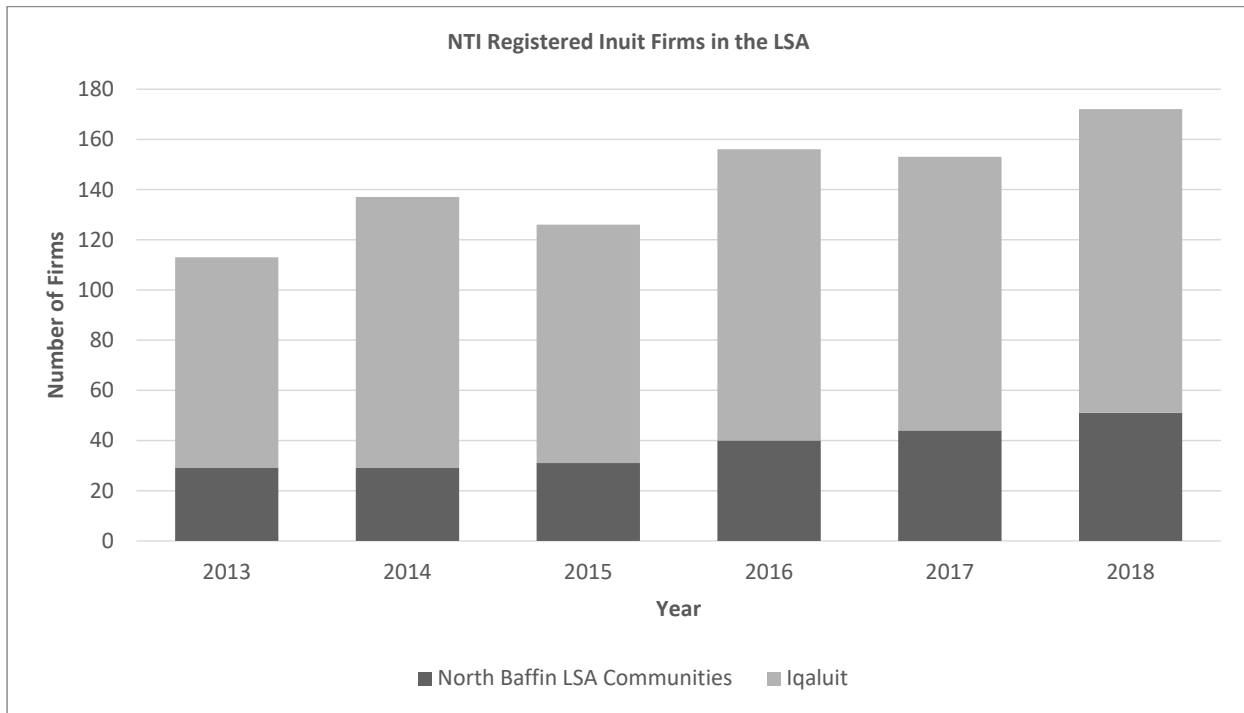
The number of registered Inuit Firms in the LSA may be another useful indicator of the degree to which an expanded market for consumer goods and services has been created by the Project. This is because new Project-generated consumer discretionary income is expected to result in increased demand for (and spending on) local goods and services. Subsequently, the number and offerings of local businesses may increase to meet this demand.

Nunavut Tunngavik Inc. (NTI) maintains an Inuit Firm Registry database for Nunavut.¹⁹ This database (i.e. NTI 2018) provides the name of each registered Inuit Firm, describes each firm’s area of business operations, and location where the firm is based. The number of registered Inuit Firms in the LSA since 2013 are presented in Figure 6-3. Information for 2013 to 2015 was obtained from NTI personnel (E. Eegeesiak 2016, personal communication), while information for 2016 onwards was obtained directly from the NTI database (i.e. NTI 2018).

In 2018, a total of 172 active Inuit Firms were registered in the LSA. 51 of these firms were based in the North Baffin LSA communities and 121 were based in Iqaluit. The number of active Inuit Firms registered in the North Baffin LSA communities has increased by 22 since 2013, while the number of active Inuit Firms registered in Iqaluit has increased by 59 since 2013.

¹⁹ As noted by NTI (2018), ‘Inuit Firm’ means an entity which complies with the legal requirements to carry on business in the Nunavut Settlement Area, and which is a limited company with at least 51% of the company’s voting shares beneficially owned by Inuit, or a cooperative controlled by Inuit, or an Inuk sole proprietorship or partnership.

Figure 6-3: NTI Registered Inuit Firms in the LSA (2013 to 2018)



Source: Nunavut Tunngavik Inc.

While it is acknowledged that many factors may contribute to the decision to start (or not start) a new business, these data are consistent with a potential positive Project effect. Anecdotal evidence shared with Baffinland by its suppliers indicates at least some new Inuit Firms were registered because of Project-related contracting opportunities; as such, some of the increase may be due to Project-specific rather than consumer-based expenditures.

Baffinland expects its direct engagement with Inuit Firms to increase in 2019 in part due to new commitments contained in the amended IIBA. The Company will be carrying out an annual Contracting and Procurement Information Tour in LSA communities with QIA, as well as a biannual newsletter specific to Inuit Firms. The Company will also carry out its first annual Inuit Firm survey in 2019 with the goal of uncovering ways it can improve its processes to further develop business relationships with Inuit Firms.

6.2 EFFECTS AND COMPLIANCE ASSESSMENT

6.2.1 Effects Assessment

There were two residual effects for the Contracting and Business Opportunities VSEC assessed in the EIS. Monitoring results applicable to these are summarized in Table 6-1.

Table 6-1: Effects Assessment for the Contracting and Business Opportunities VSEC

Residual Effect	Summary	Monitoring Results
Expanded Market for Business Services to the Project	<p>The EIS predicted the Project would have a positive effect on creating market opportunities for businesses in the LSA and RSA to supply goods and services to the Project.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • Implementation of several Inuit contracting policies, and the development of the IPCS. These have been designed to give Inuit firms preferential treatment and assistance in the contract bidding process. • Baffinland’s IIBA with the QIA includes several provisions related to Inuit contracting. In addition, a Business Capacity and Start-Up Fund has been created to assist Inuit Firms. Baffinland contributes \$275,000 annually to the fund, which assists with locating start-up capital and financing, management development, ongoing business management, financial management, contracts and procurement, and human resources management. 	<p>Since Project development, a total of \$960.0 million worth of contracts has been awarded to Inuit Firms. \$140.9 million in contracts was awarded to Inuit Firms in 2018; of this, \$123.1 million in contracts was awarded to Inuit Firms in the LSA. Baffinland contracting data confirms the Project has had a positive effect on creating market opportunities for businesses in the LSA and RSA to supply goods and services to the Project. There is no evidence to suggest mitigation measures need to be modified at this time.</p>
Expanded Market for Consumer Goods and Services	<p>The EIS predicted the Project would expand the market for consumer (i.e. non-Project related) goods and services across the LSA. This would result in a positive effect.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • Company commitments related to Inuit employment and contracting (e.g. in the IIBA, IHRS, and IPCS) which support the development of an expanded market for consumer goods and services in the LSA. This is because of the increased purchasing power local residents are expected to have due to Project-induced direct and indirect employment income. 	<p>Since monitoring began, Baffinland has provided approximately \$45.2 million in payroll to its Inuit employees and \$960.0 million worth of contracts to Inuit Firms. The Project continued to expand the market for consumer goods and services across the LSA in 2018. Considerable amounts were spent on Baffinland’s LSA Inuit employee payroll (approximately \$10.1 million) and contracting with Inuit Firms (approximately \$140.9 million) in 2018. These new contributions to the Nunavut economy are a direct result of Project development and represent a positive effect. This is because increased income from direct and indirect Project employment can provide LSA residents with a greater capacity to purchase local goods and services. Increased income may also stimulate business growth (e.g. existing businesses may expand to meet increased consumer demand or new businesses may emerge, wealth generated through employment may increase an individual’s ability to start a new business). The number of Inuit Firms registered in the LSA communities has also increased (by 81) since 2013, which is consistent with a potential positive Project effect. It’s possible that continued monitoring may uncover additional positive Project effects (e.g. it may take an extended period for some businesses to respond to emerging commercial opportunities). There is no evidence to suggest mitigation measures need to be modified at this time.</p>

6.2.2 Compliance Assessment

There are no Terms and Conditions in the Project Certificate pertaining to monitoring of the Contracting and Business Opportunities VSEC.

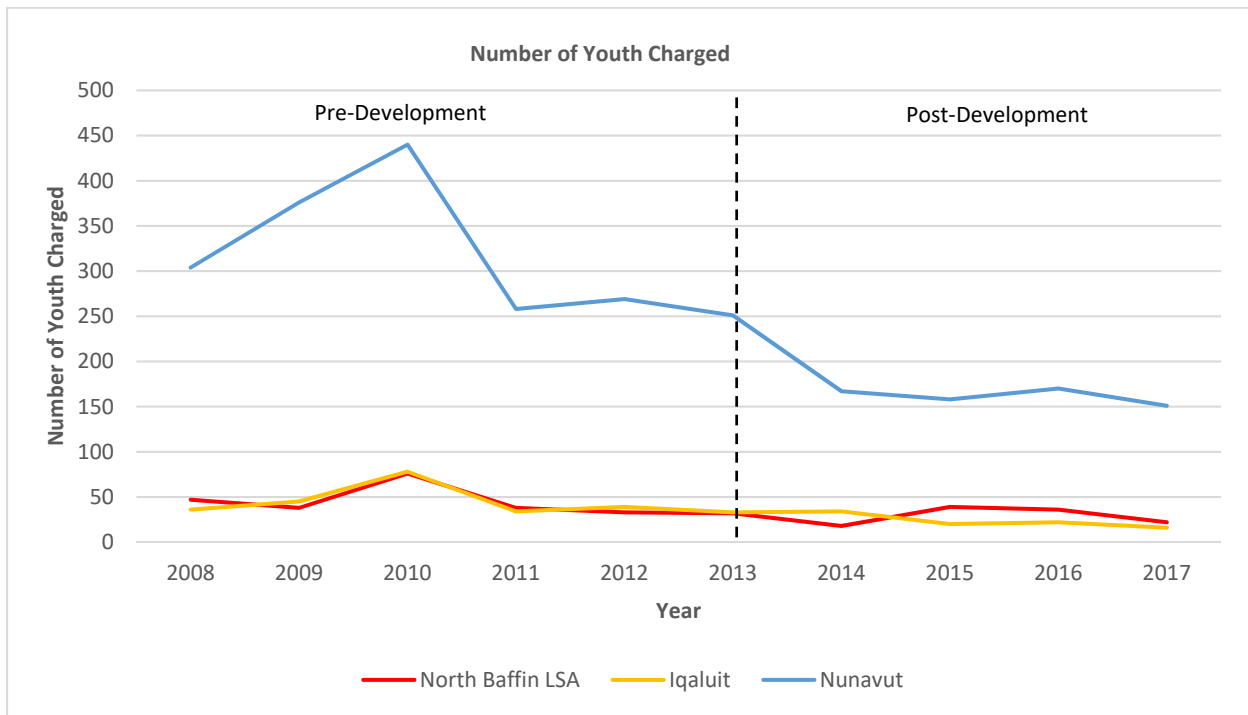
7. HUMAN HEALTH AND WELL-BEING

7.1 INDICATOR DATA AND ANALYSIS

7.1.1 Number of Youth Charged

The number of youth charged may be one indicator of youth well-being in the LSA communities. 2017 was the most recent year data on the number of youth charged were available from Statistics Canada (2018b). Compared to the previous year data were available, there has been a decrease in the number youth charged in the North Baffin LSA (from 36 to 22), Iqaluit (from 22 to 16), and Nunavut (from 170 to 151). Compared to pre-development period averages, there have been decreasing trends in the average number of youth charged in the North Baffin LSA (from 46.4 to 29.4), Iqaluit (from 46.4 to 25.0), and Nunavut (from 329.4 to 179.4) in the post-development period. Figure 7-1 displays the number of youth charged since 2008, while Table 7-1 displays average values for selected periods.

Figure 7-1: Number of Youth Charged (2008 to 2017)



Source: Statistics Canada (2018b)

Table 7-1: Number of Youth Charged (Averages for Selected Periods)

Period	Number of Youth Charged					
	North Baffin LSA		Iqaluit		Nunavut	
	Average	Change in Average	Average	Change in Average	Average	Change in Average
2003-2007	53.0	–	67.8	–	397.0	–
Pre-Development Period (2008 to 2012)	46.4	-6.6	46.4	-21.4	329.4	-67.6
Post-Development Period (2013 onwards)	29.4	-17.0	25.0	-21.4	179.4	-150.0

Source: Statistics Canada (2018b)

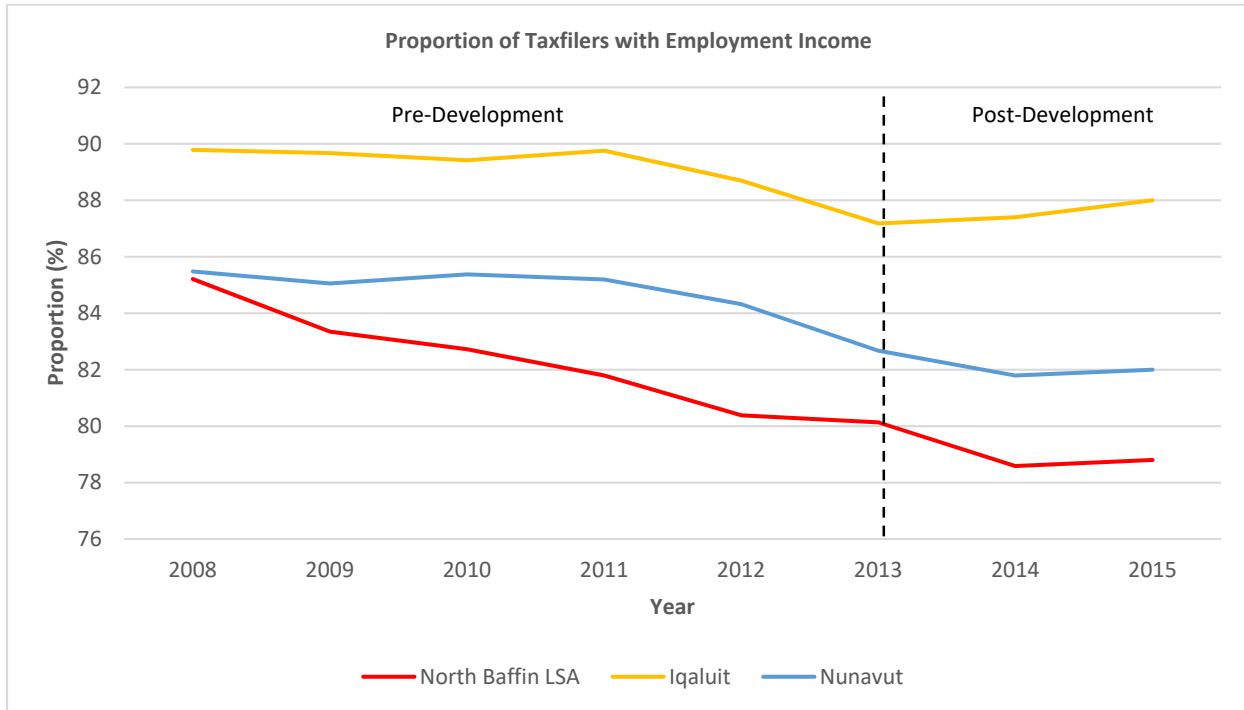
These data may be indicative of a positive Project influence, as the average number of youth charged has declined in the LSA since Project development. The change in average number of youth charged in the North Baffin LSA (-17.0) has also more than doubled since the pre-development (or baseline) period (-6.6). However, decreasing trends in the LSA were also evident in the pre-development period and a comparable situation has been noted across Nunavut. This suggests longer-term and/or broad-scale factors may be driving these trends, rather than the Project. Crime rates can be influenced by several factors and Baffinland will continue to monitor this topic for new insights that may emerge.

7.1.2 Proportion of Taxfilers with Employment Income and Median Employment Income

Employment income indicators are useful for tracking household financial performance in the LSA communities. 2015 was the most recent year data on the proportion of taxfilers with employment income were available from the Nunavut Bureau of Statistics (2017c). Compared to the previous year data were available, there have been increases in the average proportion of taxfilers with employment income in the North Baffin LSA (from 78.6% to 78.8%), Iqaluit (from 87.4% to 88.0%), and Nunavut (from 81.8% to 82.0%). Compared to pre-development period averages, there have been decreasing trends in the average proportion of taxfilers with employment income in the North Baffin LSA (from 82.7% to 79.2%), Iqaluit (from 89.5% to 87.5%), and Nunavut (from 85.1% to 82.2%) in the post-development period. Figure 7-2 displays the proportion of taxfilers with employment income since 2008, while Table 7-2 displays average values for selected periods.

These data do not currently appear indicative of a positive Project influence, as decreasing trends in the proportion of taxfilers with employment income have been noted in the LSA since Project development. However, a decreasing post-development trend was also noted throughout Nunavut, and prior to Project development in the North Baffin LSA. This suggests longer-term (in the case of the North Baffin LSA) and/or broad-scale factors may be driving these trends rather than the Project. However, Baffinland predicted the Project could improve household income in the LSA over time; as such, this indicator will continue to be monitored for emerging trends.

Figure 7-2: Proportion of Taxfilers with Employment Income (2008 to 2015)



Source: Nunavut Bureau of Statistics (2017c)

Table 7-2: Proportion of Taxfilers with Employment Income (Averages for Selected Periods)

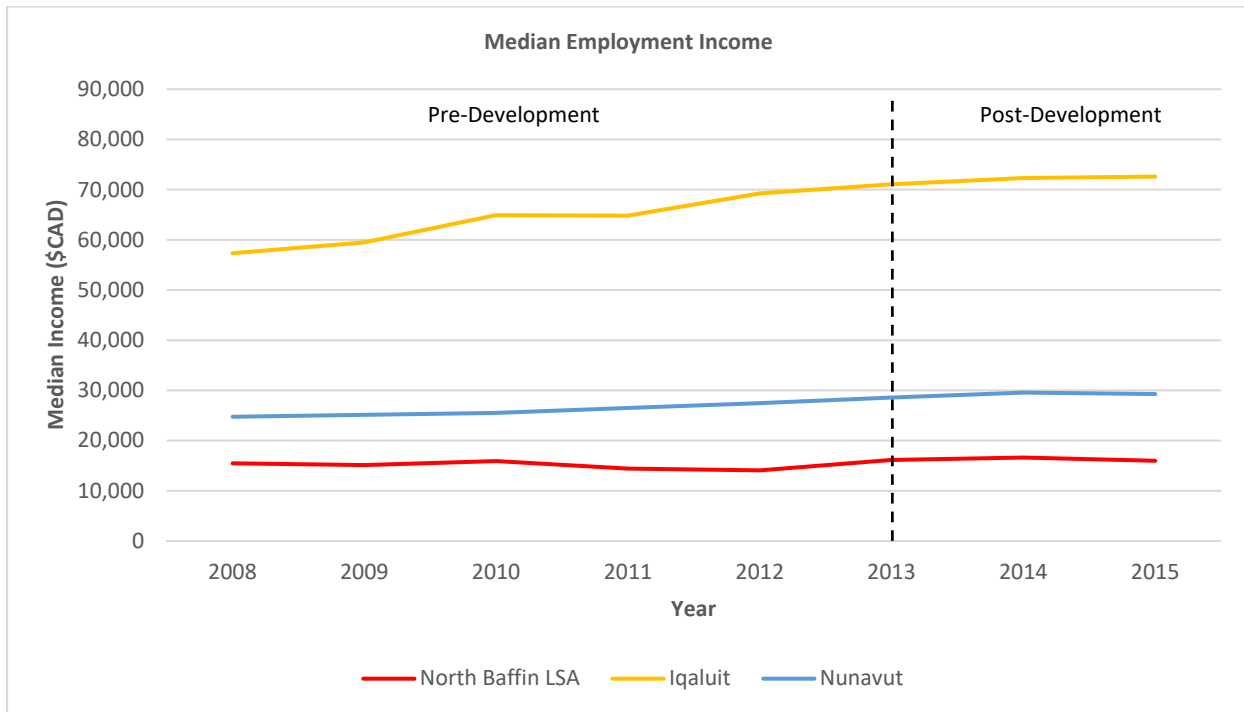
Proportion of Taxfilers with Employment Income						
Period	North Baffin LSA		Iqaluit		Nunavut	
	Average	Change in Average	Average	Change in Average	Average	Change in Average
2006-2007	83.8%	–	89.4%	–	84.7%	–
Pre-Development Period (2008 to 2012)	82.7%	-1.1	89.5%	+0.1	85.1%	+0.4
Post-Development Period (2013 onwards)	79.2%	-3.5	87.5%	-1.9	82.2%	-2.9

Source: Nunavut Bureau of Statistics (2017c)

Notes: Some values may be affected by rounding.

Likewise, 2015 was the most recent year data on median employment income were available from the Nunavut Bureau of Statistics (2017c). Compared to the previous year data were available, there have been decreases in median employment income in the North Baffin LSA (from \$16,620 to \$15,998) and Nunavut (from \$29,550 to \$29,270), but an increase in Iqaluit (from \$72,310 to \$72,580). Compared to pre-development period averages, there have been increasing trends in average median employment income in the North Baffin LSA (from \$15,007 to \$16,251), Iqaluit (from \$63,166 to \$71,990), and Nunavut (from \$25,876 to \$29,133) in the post-development period. Figure 7-3 displays median employment income since 2008, while Table 7-3 displays average values for selected periods.

Figure 7-3: Median Employment Income (2008 to 2015)



Source: Nunavut Bureau of Statistics (2017c)

Table 7-3: Median Employment Income (Averages for Selected Periods)

Period	Median Employment Income					
	North Baffin LSA		Iqaluit		Nunavut	
	Average	Change in Average	Average	Change in Average	Average	Change in Average
2006-2007	\$14,649	–	\$53,880	–	\$23,755	–
Pre-Development Period (2008 to 2012)	\$15,007	+\$358	\$63,166	+\$9,286	\$25,876	+\$2,121
Post-Development Period (2013 onwards)	\$16,251	+\$1,244	\$71,990	+\$8,824	\$29,133	+\$3,257

Source: Nunavut Bureau of Statistics (2017c)

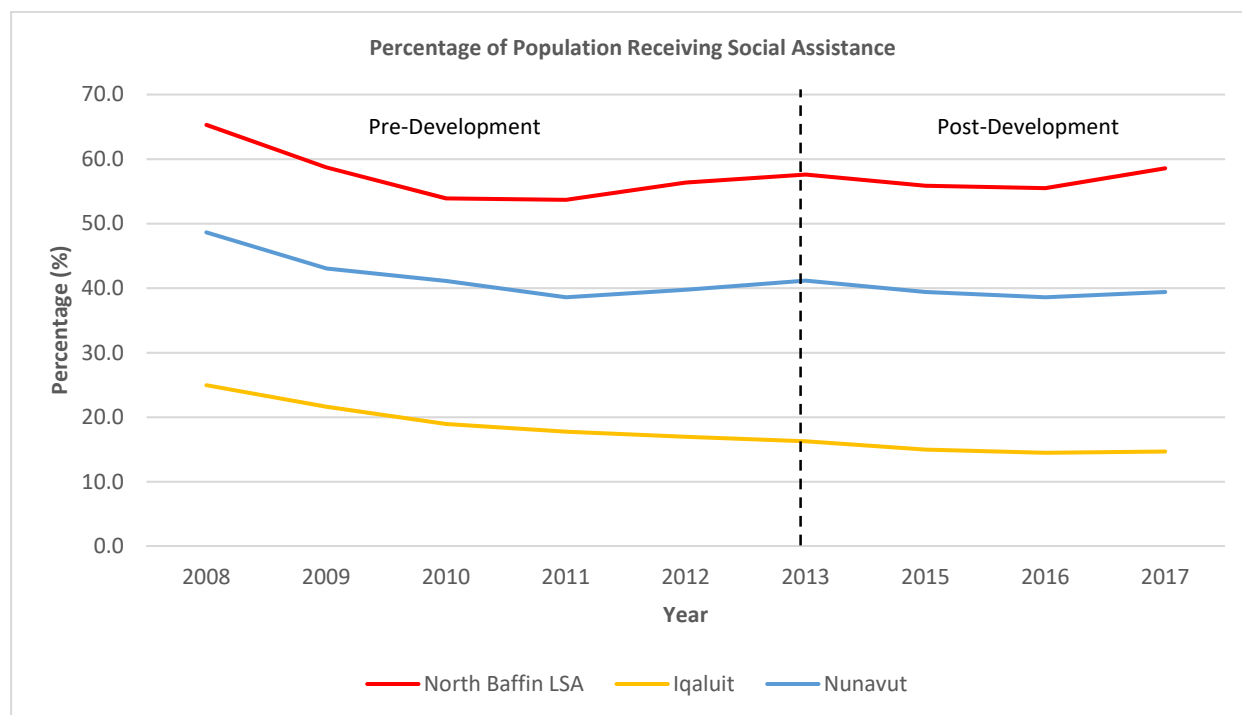
These data may be indicative of a positive Project influence, as average median employment income has increased in the LSA since Project development. Furthermore, the change in average median employment income in the North Baffin LSA (+\$1,244) has more than tripled the pre-development (or baseline) period change in average (+\$358), which suggests a potential positive Project effect. However, increasing trends in the LSA were also evident in the pre-development period and a comparable situation has been noted across Nunavut. This suggests longer-term and/or broad-scale factors may be driving these trends rather than the Project. Income levels can be influenced by several factors and Baffinland will continue to monitor this topic for new insights that may emerge.

7.1.3 Percentage of Population Receiving Social Assistance

The percentage of the population receiving social assistance is another useful indicator of household financial performance. 2017 was the most recent year data on the percentage of social assistance recipients were available from the Nunavut Bureau of Statistics (2018c). Note that no data are available

for 2014. Compared to the previous year data were available, there has been an increase in the percentage of the population receiving social assistance in the North Baffin LSA (from 55.5% to 58.6%), Iqaluit (from 14.5% to 14.7%), and Nunavut (from 38.6% to 39.4%). Compared to pre-development period averages, there have been decreasing trends in the average percentage of the population receiving social assistance in the North Baffin LSA (from 57.6% to 56.9%), Iqaluit (from 20.1% to 15.1%), and Nunavut (from 42.2% to 39.7%) in the post-development period. Figure 7-4 displays the percentage of the population receiving social assistance since 2008, while Table 7-4 displays average values for selected periods.

Figure 7-4: Percentage of Population Receiving Social Assistance (2008 to 2017)



Source: Nunavut Bureau of Statistics (2018c)

Notes: No data available for 2014.

Table 7-4: Percentage of Population Receiving Social Assistance (Averages for Selected Periods)

Percentage of Population Receiving Social Assistance						
Period	North Baffin LSA		Iqaluit		Nunavut	
	Average	Change in Average	Average	Change in Average	Average	Change in Average
2005-2007	59.7%	–	21.4%	–	44.0%	–
Pre-Development Period (2008 to 2012)	57.6%	-2.1%	20.1%	-1.4%	42.2%	-1.8%
Post-Development Period (2013 onwards)	56.9%	-0.7%	15.1%	-5.0%	39.7%	-2.6%

Source: Nunavut Bureau of Statistics (2018c)

Notes: Some values may be affected by rounding.

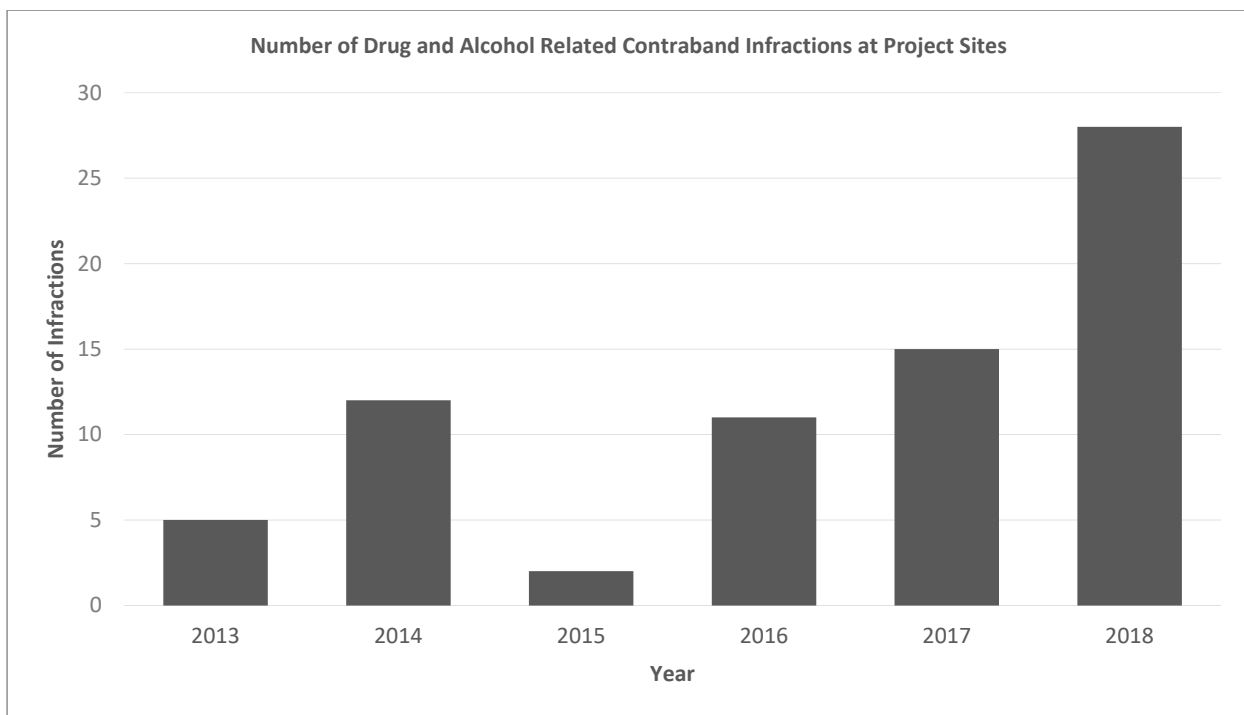
These data may be indicative of a positive Project influence, as there have been decreasing trends in social assistance recipients in the post-development period in the LSA. However, these trends were also evident in the pre-development period and a comparable situation has been noted across Nunavut, which suggests longer-term and/or broad-scale factors may be driving these trends rather than the

Project. Social assistance levels can be influenced by several factors and Baffinland will continue to monitor this topic for new insights that may emerge.

7.1.4 Number of Drug and Alcohol Related Contraband Infractions at Project Sites

The number of drug and alcohol related contraband infractions at Project sites is a useful indicator for the transport of substances that may be occurring at the Project. Figure 7-5 displays the number of drug and alcohol related contraband infractions at Project sites since 2013. This includes confiscated drugs, alcohol, or related paraphernalia. In 2018, 28 drug and alcohol-related contraband infractions occurred at Project sites among employees and contractors. This was 13 infractions higher than in 2017. Reasons for the increase in 2018 are unknown but may be linked to the increased average number of employees and contractors working on site compared to 2017 (2,054 vs. 1,572; see Section 3.1.5). This topic will continue to be monitored for emerging trends.

Figure 7-5: Number of Drug and Alcohol Related Contraband Infractions at Project Sites (2013 to 2018)



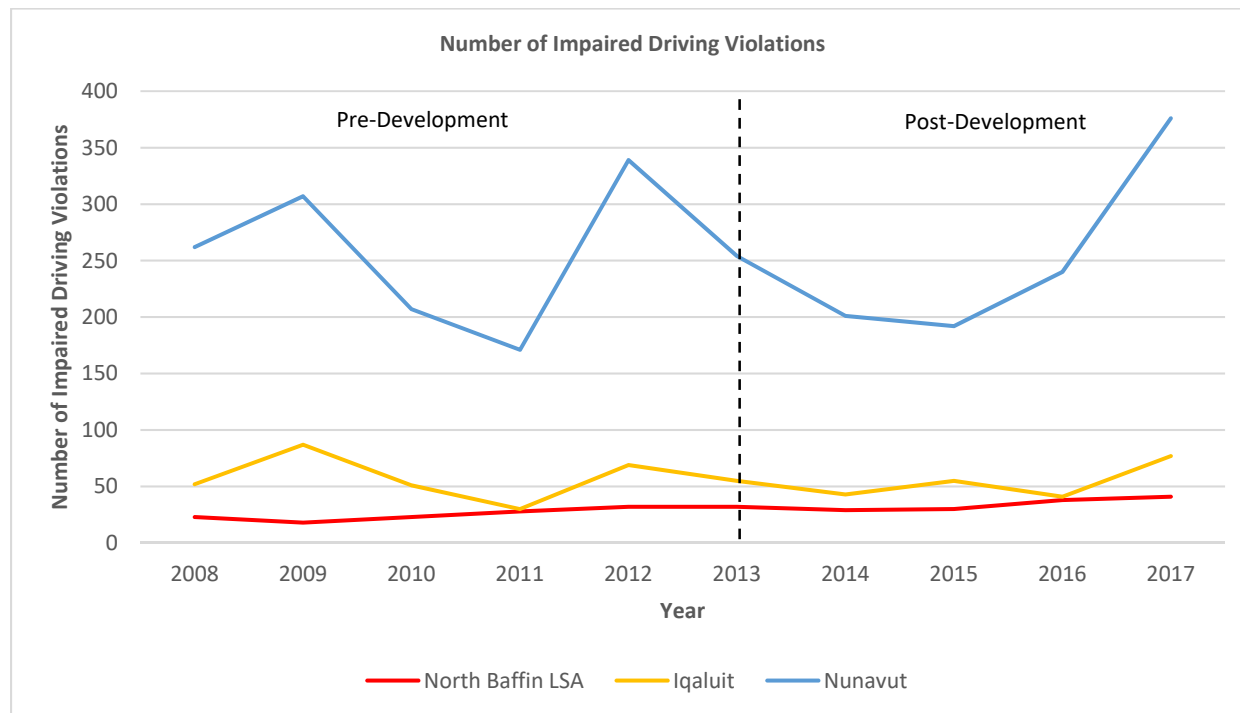
Source: Baffinland

7.1.5 Number of Impaired Driving Violations

The number of impaired driving violations in the LSA may provide insight into whether rates of alcohol abuse are changing. 2017 was the most recent year data on the number of impaired driving violations were available from the Nunavut Bureau of Statistics (2018d). Compared to the previous year data were available, there has been an increase in the number of impaired driving violations in the North Baffin LSA (from 38 to 41), Iqaluit (from 41 to 77) and Nunavut (from 240 to 376). Compared to pre-development period averages, there has been an increasing trend in the average number of impaired driving violations in the North Baffin LSA (from 24.8 to 34.0) and decreasing trends in Iqaluit (from 57.8 to 54.2) and Nunavut (from 257.2 to 252.6) in the post-development period. Figure 7-6 displays the

number of impaired driving violations since 2008, while Table 7-5 displays average values for selected periods.

Figure 7-6: Number of Impaired Driving Violations (2008 to 2017)



Source: Nunavut Bureau of Statistics (2018d)

Table 7-5: Number of Impaired Driving Violations (Averages for Selected Periods)

Number of Impaired Driving Violations						
Period	North Baffin LSA		Iqaluit		Nunavut	
	Average	Change in Average	Average	Change in Average	Average	Change in Average
2003-2007	15.8	–	54.6	–	220.8	–
Pre-Development Period (2008 to 2012)	24.8	+9.0	57.8	+3.2	257.2	+36.4
Post-Development Period (2013 onwards)	34.0	+9.2	54.2	-3.6	252.6	-4.6

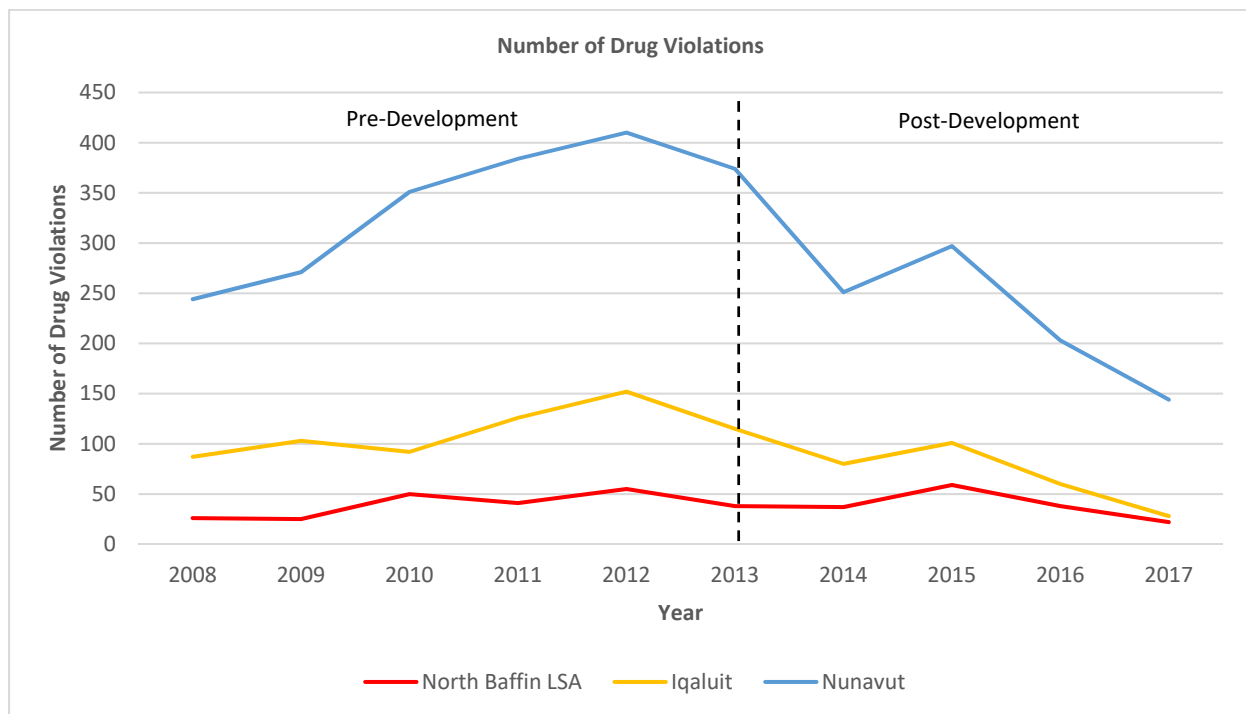
Source: Nunavut Bureau of Statistics (2018d)

These data may be indicative of a negative Project influence, as the average number of impaired driving violations has increased in the North Baffin LSA since Project development. However, this trend was also evident prior to Project development and the change in average number of impaired driving violations (+9.2) remains similar to the pre-development (or baseline) period change in average (+9.0). Conversely, decreasing trends have occurred in Iqaluit and Nunavut in the post-development period and were not evident prior to Project development (they were previously increasing). Reasons for the lack of a similar trend reversal in the North Baffin LSA are currently unknown. While it's possible the Project may be a contributing factor, current trends could also be a continuation of pre-development trends. Substance use issues can be influenced by several factors and Baffinland will continue to monitor this topic for new insights that may emerge.

7.1.6 Number of Drug Violations

The number of drug violations in the LSA may provide insight into whether rates of drug abuse are changing. 2017 was the most recent year data on the number of drug violations were available from the Nunavut Bureau of Statistics (2018d). Compared to the previous year data were available, there has been a decrease in the number of drug violations in the North Baffin LSA (from 38 to 22), Iqaluit (from 60 to 28), and Nunavut (from 203 to 144). Compared to pre-development period averages, there has been a decreasing trend in the average number of drug violations in the North Baffin LSA (from 39.4 to 38.8), Iqaluit (from 112.0 to 76.8), and Nunavut (from 332.0 to 253.8) in the post-development period. Figure 7-7 displays the number of drug violations since 2008, while Table 7-6 displays average values for selected periods.

Figure 7-7: Number of Drug Violations (2008 to 2017)



Source: Nunavut Bureau of Statistics (2018d)

Table 7-6: Number of Drug Violations (Averages for Selected Periods)

Period	Number of Drug Violations					
	North Baffin LSA		Iqaluit		Nunavut	
	Average	Change in Average	Average	Change in Average	Average	Change in Average
2003-2007	23.0	–	91.8	–	231.4	–
Pre-Development Period (2008 to 2012)	39.4	+16.4	112.0	+20.2	332.0	+100.6
Post-Development Period (2013 onwards)	38.8	-0.6	76.8	-35.2	253.8	-78.2

Source: Nunavut Bureau of Statistics (2018d)

These data do not currently appear indicative of a negative Project influence, as the average number of drug violations have declined in the LSA since Project development, unlike prior to Project development (they were previously increasing). A comparable situation has also been noted across Nunavut, which

suggests broad-scale factors may be driving these trends rather than the Project. However, Baffinland's 2017 Socio-Economic Monitoring Report (JPCSL 2018) showed an increasing post-development trend in the North Baffin LSA (suggestive of a negative Project influence at the time); the change to a decreasing trend in this 2018 report is a positive reversal. Substance use can be influenced by several factors and Baffinland will continue to monitor this topic for new insights that may emerge.

7.1.7 Absence from the Community During Work Rotation

Baffinland has acknowledged the absence of workers from communities during their work rotations may lead to some negative effects on community processes (e.g. local coaching, politics, and social organizations) in the LSA. However, appropriate community-level indicator data are currently unavailable for this topic. As such, this topic continues to be tracked through the QSEMC process and community engagement conducted for the Project.

Some general stakeholder comments on this topic were expressed in 2017 (JPCSL 2018). For example, challenges for rotational workers with children were noted and some turnover was said to occur for reasons including lack of childcare and homesickness. However, specific effects from worker absence on community processes were not identified. In 2018, some general comments were again recorded on the challenges associated with rotational work for families and relationships. However, specific effects from worker absence on community processes were not identified.

The potential for negative effects to arise on community processes due to workers being absent during their work rotations is acknowledged. However, the Project's overall effect remains unclear. The INPK Fund that Baffinland contributes to supports various community wellness initiatives that may assist in this area. Baffinland also continues to use a two week in/two week out rotation that allows employees to spend considerable time in their home communities. Pre-employment training programs also review strategies for successful rotational work with prospective employees, so they can come better prepared to deal with challenges that may arise. Furthermore, Baffinland's IHRS notes the Company will consider adopting alternative rotation schedules that are better aligned with familial and community activities. Baffinland conducted a one week in/one week out pilot program in 2017. Employees who participated in the program told Baffinland it was more disruptive to family life than the two week in/two week out rotation. Baffinland has committed to continue investigating potential alternative work schedules. Per IIBA Article 7.15.12, the needs and preferences of Inuit will be considered in schedule planning, provided the Company's labour force requirements are accommodated. This topic will continue to be monitored for emerging trends.

7.1.8 Prevalence of Gambling Issues

Gambling issues are an acknowledged concern in Nunavut and some observers note resource development activities can have negative effects in this area. However, appropriate community-level indicator data are currently unavailable for this topic. As such, this issue continues to be tracked through the QSEMC process and community engagement conducted for the Project. No comments on this topic were identified in 2017 (JPCSL 2018). One comment related to this topic was recorded in 2018:

The self-reported gambling numbers might be a little low. [2018 QSEMC Meeting Participant]²⁰

The Project's overall effect remains unclear. Gambling is a complex issue that can be influenced by several factors and appropriate statistical data are currently unavailable. It should be noted that Baffinland continues to provide its permanent employees and their dependents with access to an EFAP and has established on-site Cultural Advisors to provide counsel and support to all Inuit Project employees. Per Article 11.7 of the IIBA, a Community Counsellor Program will also be established by Baffinland in the North Baffin LSA communities. Gambling-related or other forms of personal assistance may be obtained through these programs, as needed. Furthermore, gambling is not permitted at Project sites. This topic will continue to be monitored for emerging trends.

7.1.9 Prevalence of Family Violence

Family violence is an acknowledged concern in Nunavut and some observers note resource development activities can have negative effects in this area. However, appropriate community-level indicator data are currently unavailable for this topic. As such, this issue continues to be tracked through the QSEMC process and community engagement conducted for the Project. No comments on this topic were identified in 2017 (JPCSL 2018). A comment related to the prevalence of family violence was recorded in 2018:

In Iqaluit we had two murder suicides and an Elder wanted to put on a program on "what is love?" vs. "what is abuse?" She would like to find training for a program like this and turn it into something more Inuit culturally appropriate. [2018 QSEMC Meeting Participant]²¹

Some data on this topic are available at the territorial level. Burczycka and Conroy (2018) note there were 982 incidents of police-reported family violence in Nunavut in 2016, which equates to a rate of 2,649 incidents per 100,000 population. This is substantially higher than the Canadian rate of 239 incidents per 100,000 population.

The Project's overall effect remains unclear. Family violence is a complex issue that can be influenced by several factors and available statistical data are limited (at the territorial scale only). It should be noted that Baffinland continues to provide its permanent employees and their dependents with access to an EFAP and has established on-site Cultural Advisors to provide counsel and support to all Inuit Project employees. Per Article 11.7 of the IIBA, a Community Counsellor Program will also be established by Baffinland in the North Baffin LSA communities. Family-related and other forms of personal assistance may be obtained through these programs, as needed. This topic will continue to be monitored for emerging trends.

7.1.10 Prevalence of Marital Problems

Marital problems can arise for several reasons, but some observers note resource development activities can have negative effects in this area. However, appropriate community-level indicator data

²⁰ Please note, this was a comment made at the 2018 QSEMC in relation to a presentation delivered by the QIA on their Inuusiq Asijiqpalianninganiq Ujjiqsurniq community survey and was not necessarily about the Project.

²¹ Please note, this was a comment made at the 2018 QSEMC in relation to a presentation delivered by the Embrace Life Council and was not necessarily about the Project.

are currently unavailable for this topic. As such, this issue continues to be tracked through the QSEMC process and community engagement conducted for the Project. Comments on this topic have previously been made by Project stakeholders (e.g. JPCSL 2017, 2018). In some cases, Project employment was believed to play a role in marital problems that had developed (e.g. infidelity and/or breakups initiated by the worker or individual at home). Some comments on this topic were also recorded in 2018:

Whenever there's something needed, we are usually silent... when we're serious, we become very silent. So the QIA staff, for example... when they're put on night shifts, they keep them in night schedules. But the QIA usually alternate day shift and night shift, but the other communities have to stay night shift... for instance, if their wife or husband is working under subcontract, then they have to alternate because, during Christmas, they have to stay on site and the other has to stay at home; and same with the summertime. It becomes a burden for the families because they can't be together on special occasions, when both of them are working at the same time. And there's no negotiation on that... it became a deterrent to hire Inuit in these communities. [2018 IIBA Annual Project Review Forum Participant]

... in Milne Inlet, there needs to be a counselor available, 24/7. If there could be a counselor that could assist in the stress levels of the employees, because they get homesick and miss their family and children. So that's a need there. That's the void that is lacking. They need a psychologist or counselors up there to help them... it would benefit the employees a lot if there could be a counselor there. [2018 IIBA Annual Project Review Forum Participant]

Concern that spouses in Igloodik are not being asked about effects of having their spouse away from home on shiftwork and potential problems this is causing. [2018 NIRB Public Information Meeting]

We are seeing some family issues with regards to rotational work. It takes a strong relationship at home to make it work but as of yet I haven't heard of any major issues concerning that aspect of the schedule. [2018 QSEMC Meeting Participant]

Federal Census data on marital status are available (see Table 7-7). Between 2011 and 2016, for example, the percentage of individuals in the North Baffin LSA who were married or living common law decreased (from 53.9% to 53.3%), while those who were separated or divorced increased (from 2.8% to 3.7%). In Iqaluit, the percentage of individuals who were married or living common law increased (from 53.3% to 53.8%), while those who were separated or divorced decreased (from 5.9% to 5.4%). In Nunavut, the percentage of individuals who were married or living common law decreased (from 53.4% to 53.2%), while those who were separated or divorced remained the same (at 3.5%).

Table 7-7: Marital Status of Individuals 15 Years and Over (2011 and 2016)

Marital Status of Individuals 15 Years and Over				
Location	2011		2016	
	% Married or Living with a Common-Law Partner	% Separated or Divorced	% Married or Living with a Common-Law Partner	% Separated or Divorced
North Baffin LSA	53.9%	2.8%	53.3%	3.7%
Iqaluit	53.3%	5.9%	53.8%	5.4%
Nunavut	53.4%	3.5%	53.2%	3.5%
Canada	57.7%	8.6%	57.6%	8.6%

Source: Statistics Canada (2012a, b, c, d, e, f, g); Statistics Canada (2017a, b, c, d, e, f, g)

The Project’s overall effect remains unclear. Marital problems are a complex issue that can be influenced by several factors and available statistical data are limited (for five-year Census periods only). While the percentage of individuals who are separated or divorced increased in the North Baffin LSA between 2011 and 2016, this percentage (conversely) decreased in Iqaluit over the same period for unknown reasons. As Project construction only began in 2013, there are minimal post-development data currently available. A more detailed analysis of trends may require additional years of Census data.

It should be noted that Baffinland continues to provide its permanent employees and their dependents with access to an EFAP and has established on-site Cultural Advisors to provide counsel and support to all Inuit Project employees. Per Article 11.7 of the IIBA, a Community Counsellor Program will also be established by Baffinland in the North Baffin LSA communities. Family-related or other forms of personal assistance may be obtained through these programs, as needed. This topic will continue to be monitored for emerging trends.

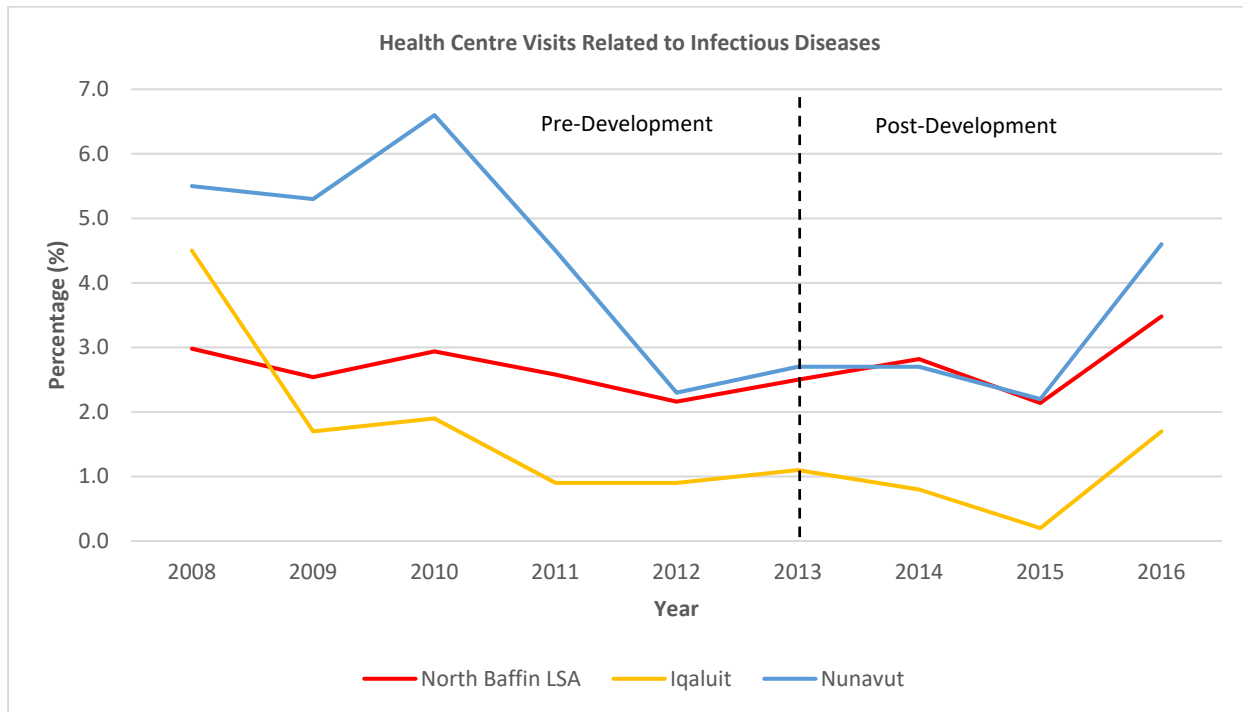
7.1.11 Percent of Health Centre Visits Related to Infectious Diseases

Community health centre visit data can help identify health issues occurring in a community. Information on how the Project may affect rates of sexually transmitted infections and other communicable diseases in the LSA has been specifically requested in the Project Certificate. As such, indicator data on the percentage of health centre visits by the diagnostic group ‘infectious diseases’ is tracked through Baffinland’s monitoring program.

2016 was the most recent year data on the percentage of health centre visits related to infectious diseases were available from the Nunavut Bureau of Statistics (2018e).²² Compared to the previous year data were available, there was an increase in the percentage of health centre visits related to infectious diseases in the North Baffin LSA (from 2.1% to 3.5%), Iqaluit (from 0.2% to 1.7%), and Nunavut (from 2.2% to 4.6%). Compared to pre-development period averages, there has been an increasing trend in the average percentage of health centre visits related to infectious diseases in the North Baffin LSA (from 2.6% to 2.7%) and decreasing trends in Iqaluit (from 2.0% to 1.0%) and Nunavut (from 4.8% to 3.1%) in the post-development period. Figure 7-8 displays the percentage of health centre visits related to infectious diseases since 2008, while Table 7-8 displays average values for selected periods.

²² The Nunavut Bureau of Statistics (2018e) notes that only visits to Iqaluit’s community health centre are reported on, while visits to Iqaluit’s hospital are not.

Figure 7-8: Percent of Health Centre Visits Related to Infectious Diseases (2008 to 2016)



Source: Nunavut Bureau of Statistics (2018e)

Table 7-8: Percent of Health Centre Visits Related to Infectious Diseases (Averages for Selected Periods)

Percent of Health Centre Visits Related to Infectious Diseases						
Period	North Baffin LSA		Iqaluit		Nunavut	
	Average	Change in Average	Average	Change in Average	Average	Change in Average
2003-2007	3.5%	–	28.8%	–	4.9%	–
Pre-Development Period (2008 to 2012)	2.6%	-0.8%	2.0%	-26.9%	4.8%	0.0%
Post-Development Period (2013 onwards)	2.7%	+0.1%	1.0%	-1.0%	3.1%	-1.8%

Source: Nunavut Bureau of Statistics (2018e)

Notes: Some values may be affected by rounding.

These data may be indicative of a negative Project influence, as the average percentage of health centre visits related to infectious diseases has increased in the North Baffin LSA since Project development. This trend was not evident in the pre-development period (it was previously decreasing). Conversely, the decreasing or stable trends that were evident in Iqaluit and Nunavut prior to Project development are all decreasing in the post-development period. Reasons for the lack of a similar trend in the North Baffin LSA are currently unknown. However, the change in average percentage of health centre visits related to infectious diseases in the North Baffin LSA is small (+0.1%) and the current average (2.7%) is similar to that documented in the pre-development (or baseline) period (2.6%). Likewise, Figure 7-8 shows a notable spike in health centre visits across Nunavut in 2016, which suggests the occurrence of a territory-wide infectious disease issue that may have influenced monitoring results.

Health-related issues can be influenced by several factors and Baffinland will continue to monitor this topic for new insights that may emerge. However, the Government of Nunavut remains responsible for

health care delivery and data collection on this topic in the LSA communities. It is unknown if the Government of Nunavut has information that would provide additional clarity on the trends observed. A Memorandum of Understanding (MOU) has also been signed between Baffinland and the Government of Nunavut's Department of Health regarding site health services and medevac procedures. This MOU describes the health care staff and services Baffinland will provide on site, including procedures Baffinland will follow during medevac situations, for pre-employment medical examinations, and for the reporting and management of communicable diseases, among other topics. The MOU also describes how Baffinland will pay for and/or reimburse the Department of Health for costs associated with the medical transportation of employees and for conducting pre-employment medical exams. More generally, the Project continues to provide all workers with regular access to a site medic, with whom they can confidentially address health-related (including sexual health) issues.

7.1.12 Rates of Teenage Pregnancy

Teenage pregnancy rates can be a result of several factors, but some observers note resource development activities can have negative effects in this area. However, appropriate community-level indicator data are currently unavailable for this topic. As such, this issue continues to be tracked through the QSEMC process and community engagement conducted for the Project. No comments on this topic were identified in 2017 (JPCSL 2018) or 2018.

Some data on this topic are available at the territorial level. Statistics Canada (2018c) notes 17.7% of all Nunavut live births in 2017 (the most recent year data were available) were to mothers under the age of 20. By comparison, only 2.1% of all Canadian live births in 2017 were to mothers under the age of 20. Boulet and Badets (2017) provide additional information on the topic of early motherhood (i.e. having become a mother before the age of 20) among Inuit, off-reserve First Nations, and Métis women, derived primarily from the 2012 Aboriginal Peoples Survey. Boulet and Badets (2017: 2) note:

"...taking care of a child as a teenager may represent a challenge given the responsibilities associated with motherhood, which can hinder a young woman's progress towards earning a high school diploma and possibly pursuing postsecondary education... among women aged 18 to 44 years, 38% of Inuit women... dropped out of high school due to pregnancy or to take care of a child. Given their lower education level, these young women may be at greater risk for unemployment or dependence on social assistance."

Boulet and Badets (2017) also note 45% of Inuit women, 28% of First Nations women living off reserve, and 20% of Métis women (aged 20 to 44), became mothers before the age of 20; this compared to 6% of non-Indigenous women in the same age group. Likewise, Indigenous early mothers were less likely to have a high school diploma; among Inuit women, 40% of those who became mothers in their teenage years had a high school diploma, compared with 59% of Inuit women who had children later in life (Boulet and Badets 2017).

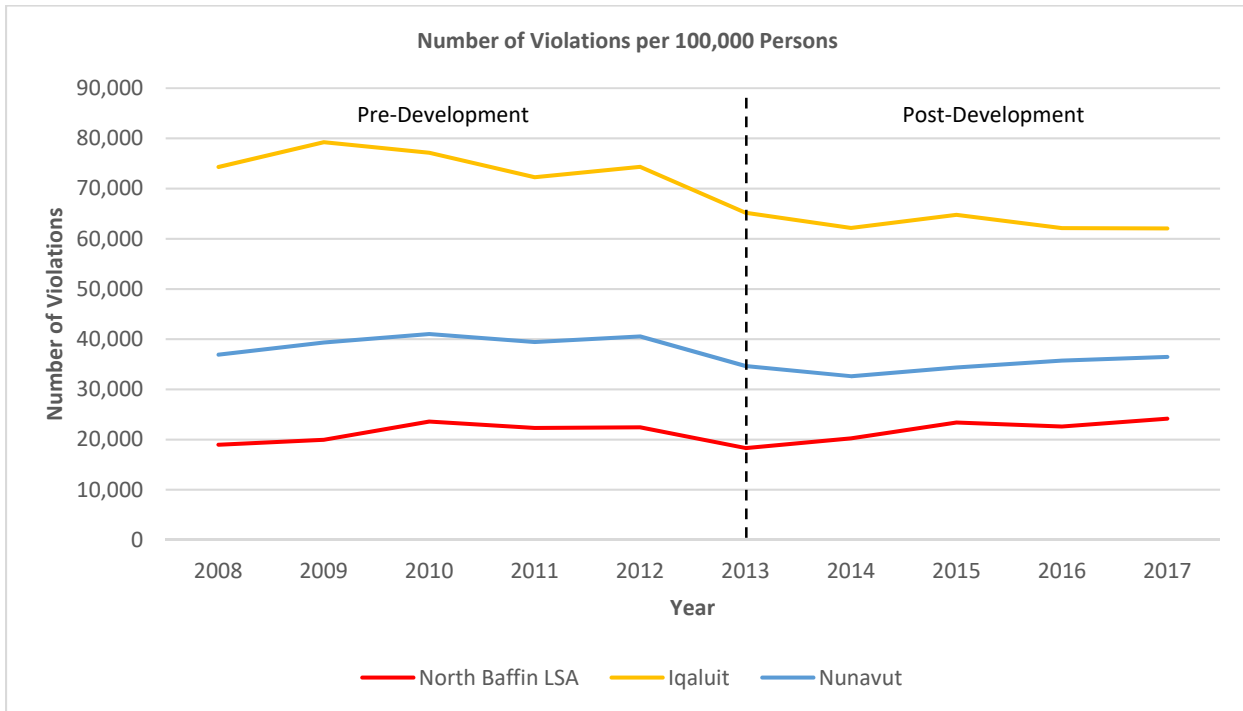
The Project's overall effect remains unclear. Teenage pregnancy is a complex issue that can be influenced by several factors and available statistical data are limited (at the territorial scale, for the entire Inuit population, and/or for limited time periods only). This topic will continue to be monitored for emerging trends.

7.1.14 Crime Rate

Project Certificate Term and Condition No. 154 states other indicators should be monitored “as deemed appropriate”. Members of the SEMWG previously requested that community crime rate data be included in Baffinland’s socio-economic monitoring program. These data are useful for indicating whether crime is increasing or decreasing in an area.

2017 was the most recent year crime rate data were available from the Nunavut Bureau of Statistics (2018f). Compared to the previous year data were available, there was an increase in the number of violations per 100,000 persons in the North Baffin LSA (from 22,610 to 24,169) and Nunavut (from 35,740 to 36,485), and a decrease in Iqaluit (from 62,143 to 62,065). Compared to pre-development period averages, there has been an increasing trend in average crime rates in the North Baffin LSA (from 21,458 to 21,749) and decreasing trends in Iqaluit (from 75,459 to 63,273) and Nunavut (from 39,459 to 34,775) in the post-development period. Figure 7-9 displays the number of violations per 100,000 persons since 2008, while Table 7-9 displays average values for selected periods.

Figure 7-9: Number of Violations per 100,000 Persons (2008 to 2017)



Source: Nunavut Bureau of Statistics (2018f)

Table 7-9: Number of Violations per 100,000 Persons (Averages for Selected Periods)

Number of Violations per 100,000 Persons						
Period	North Baffin LSA		Iqaluit		Nunavut	
	Average	Change in Average	Average	Change in Average	Average	Change in Average
2003-2007	20,398	–	62,689	–	35,350	–
Pre-Development Period (2008 to 2012)	21,458	+1,060	75,459	+12,771	39,459	+4,109
Post-Development Period (2013 onwards)	21,749	+291	63,273	-12,186	34,775	-4,684

Source: Nunavut Bureau of Statistics (2018f)

Notes: Some values may be affected by rounding.

These data may be indicative of a negative Project influence, as average crime rates have increased in the North Baffin LSA since Project development. Conversely, a decreasing post-development trend has been noted in Iqaluit that was not evident prior to Project development (it was previously increasing) and a comparable situation has been noted across Nunavut. Reasons for the lack of a similar trend reversal in the North Baffin LSA are currently unknown. However, the current North Baffin LSA increasing trend was also evident prior to Project development, and the post-development change in average (+291) is less than the pre-development (or baseline) period change in average (+1,060). While it's possible the Project may be a contributing factor, North Baffin LSA post-development trends could also be a continuation of pre-development trends. Crime issues can be influenced by several factors and Baffinland will continue to monitor this topic for new insights that may emerge.

7.1.15 Number of Times Baffinland's EFAP is Accessed

Project Certificate Term and Condition No. 154 states other indicators should be monitored “as deemed appropriate”. Members of the SEMWG previously requested that data on the number of times Baffinland's EFAP is accessed be included in Baffinland's socio-economic monitoring program. These data are useful for assessing annual usage of the EFAP.

Baffinland's benefit plan includes an EFAP, which offers all permanent employees and their dependents professional short-term counselling on an as-needed basis. Baffinland implemented its EFAP in 2015. The EFAP provider, Homewood Health Solutions (Homewood), provides access to a network of certified professionals who deliver personal and mental health and financial wellness programs. The EFAP is a free and confidential program. Homewood offers counselling and support related to a wide variety of health programs such as depression, addictions, family, and work-life balance. The EFAP provides both telephone and online services. Telephone services are offered in both English and Inuktitut.

In 2018 there were a total of 41 EFAP cases, whose geographic distribution is summarized in Table 7-10. This is three cases more than in 2017. Employees and their families who reside in Nunavut accounted for 36.6% of annual EFAP use in 2018.

Table 7-10: Number of Times Baffinland’s EFAP is Accessed Annually (2015 to 2018)

Number of Times Baffinland’s Employee and Family Assistance Program (EFAP) is Accessed Annually			
Year	Nunavut	Other Locations	Total
2015	7	12	19
2016	10	8	18
2017	12	26	38
2018	15	26	41

Source: Baffinland

Notes: Records are only available from 2015 onwards.

The EFAP continues to provide services to Baffinland’s permanent employees and their dependents on an as-needed basis. Likewise, employees and their families who reside in Nunavut remain important users of the EFAP and the number of times Nunavummiut have accessed the EFAP has continued to grow since 2015. On-site Cultural Advisors are also available for all Inuit Project employees to meet with and all employees have regular access to an on-site Project medic. Per Article 11.7 of the IIBA, a Community Counsellor Program will also be established by Baffinland in the North Baffin LSA communities. Various forms of personal assistance may be obtained through these programs, as needed. This topic will continue to be monitored for emerging trends.

7.2 EFFECTS AND COMPLIANCE ASSESSMENT

7.2.1 Effects Assessment

There were six residual effects for the Human Health and Well-Being VSEC assessed in the EIS. Monitoring results applicable to these are summarized in Table 7-11.

Table 7-11: Effects Assessment for the Human Health and Well-Being VSEC

Residual Effect	Summary	Monitoring Results
Changes in Parenting	<p>The EIS predicted the Project would have a positive effect on parenting (particularly as it applies to well-being of children) in the LSA communities (e.g. from increased confidence and financial independence gained through employment, improved mental well-being from having a job and income). The EIS also predicted the Project could have some negative effects on parenting.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • A predictable rotational schedule • Meaningful employment and incomes • Work readiness training • Counselling and support resources (e.g. EFAP for permanent employees and their dependents, on-site Cultural Advisors, Community Counsellor Program in the North Baffin) • Contributions to the INPK Fund (which provides up to \$1.1 million/year for community wellness-focused projects in the North Baffin LSA) 	<p>Monitoring data on the number of youth charged are currently consistent with the presence of positive Project effects, as the average number of youth charged in the LSA have declined since Project development. However, crime rates can be influenced by several factors and Baffinland will continue to monitor this topic for new insights that may emerge. There are other positive indications the Project is contributing to the enhanced well-being of children, by providing LSA residents (and parents) with opportunities to obtain meaningful employment and incomes. These opportunities can help reduce the various family stresses and uncertainties associated with un- and under-employment. Baffinland also provides counselling and support resources for individuals who may require family-related or other forms of personal assistance. There is no direct evidence to suggest mitigation measures need to be modified at this time.</p>

<p>Household Income and Food Security</p>	<p>The EIS predicted the Project would have a positive effect on increased household income and food security (particularly as they apply to well-being of children) in the LSA.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • Meaningful employment and incomes • Work readiness training • Financial literacy training • Contributions to the INPK Fund (which provides up to \$1.1 million/year for community wellness-focused projects in the North Baffin LSA) • Other contributions and initiatives related to food security in the LSA 	<p>Monitoring data on median employment income and social assistance levels are currently consistent with the presence of positive Project effects, as increasing income levels and decreasing social assistance rates have occurred in the LSA since Project development. Monitoring data on the proportion of taxfilers with employment income are currently not consistent with the presence of positive Project effects, as decreasing trends in the LSA have occurred since Project development. However, income levels can be influenced by several factors and Baffinland will continue to monitor this topic for new insights that may emerge. It's also possible that some Project-related trends will take time to emerge. Regardless, there are positive indications the Project makes contributions to improved household income and food security in the LSA. This has occurred by providing LSA residents with meaningful employment opportunities and through related contributions and initiatives. Employment income facilitates the purchase of food and other family goods, while also providing a means to participate in harvesting if desired. Additional discussion on food security and Baffinland initiatives in this area is provided in Section 10.1 (e.g. Table 10-1). There is no direct evidence to suggest mitigation measures need to be modified at this time.</p>
<p>Transport of Substances Through Project Site</p>	<p>The EIS predicted the Project could increase availability of substances such as alcohol and illegal drugs in the North Baffin LSA due to their possible transportation through Project sites, resulting in a negative effect.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • A no drugs/no alcohol policy on site • Baggage searches for all employees and contractors arriving at site 	<p>Baffinland notes that all contraband infractions are of concern and are taken seriously. The infractions that have occurred to date appear to represent a small number of individuals from the Project workforce. All individuals who do not comply with Baffinland's no drugs/no alcohol policy are immediately removed from site and disciplinary action (up to and including termination) is commenced. This management response supports Baffinland's goal of 'Safety First, Always' while also preventing further transport of contraband substances through Project sites. While relevant mitigation measures are in place, an increasing trend in contraband infractions has been noted and will continue to be monitored.</p>
<p>Affordability of Substances and Attitudes Toward Substances and Addictions</p>	<p>The EIS predicted increased income from employment at the Project could increase the ability of LSA residents to afford substances such as alcohol and illegal drugs. However, the EIS also predicted the Project could improve attitudes toward substances and addictions in the LSA (i.e. by providing positive incentives for individuals to reduce substance abuse). The overall effect of the Project on substance abuse was expected to be determined by the balance between these two effects. The EIS predicted a negative outcome may be noticeable during a transitional period of adaptation. Over the medium-term and extending beyond Project termination an overall positive effect was anticipated.</p>	<p>Monitoring data on impaired driving violations are currently consistent with the presence of negative Project effects in the North Baffin LSA, as the average number of impaired driving violations has increased since Project development. However, this increasing trend was also evident prior to Project development, and the change in average number of impaired driving violations (+9.2) has remained similar to the pre-development (or baseline) period change in average (+9.0). While it's possible the Project may be a contributing factor, current trends could also be a continuation of pre-development trends or the result of other factors. Conversely, monitoring data on drug violations are currently not consistent with the presence of negative Project effects, as the average number of drug violations</p>

	<p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • A no drugs/no alcohol policy • Baggage searches for all employees and contractors arriving at site • Counselling and support resources (e.g. EFAP for permanent employees and their dependents, on-site Cultural Advisors, Community Counsellor Program in the North Baffin LSA) • Contributions to the INPK Fund (which provides up to \$1.1 million/year for community wellness-focused projects in the North Baffin LSA) 	<p>have declined in the LSA since Project development. Substance use concerns raised by Project stakeholders are acknowledged. Substance use issues can be influenced by several factors and Baffinland will continue to monitor this topic for new insights that may emerge. There are additional positive indications the Project contributes to improved attitudes toward substances and addictions in the LSA, by providing LSA residents with meaningful employment opportunities within a drug- and alcohol-free environment. Baffinland also provides (or supports) various counselling, support, and well-being programs that may be relevant to drug- and alcohol-related issues. There is no direct evidence to suggest mitigation measures need to be modified at this time.</p>
<p>Absence from the Community During Work Rotation</p>	<p>The EIS predicted the absence of workers from communities during their work rotations may lead to some negative effects on community processes (e.g. local coaching, politics, and social organizations) in the LSA. However, it was also predicted that organizations and activities would be able to adapt and carry on their functions in light of these effects.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • A two week in/two week out rotation that allows employees to spend considerable time in their home communities • Contributions to the INPK Fund (which provides up to \$1.1 million/year for community wellness-focused projects in the North Baffin LSA) • Pre-employment training that reviews strategies for successful rotational work with prospective employees, so they can come better prepared to deal with challenges that may arise • Consideration of alternative rotation schedules that are better aligned with familial and community activities 	<p>The potential for some negative effects on community processes to arise as a result of workers being absent during their work rotations is acknowledged. However, the Project's overall effect remains unclear. This is because appropriate community-level indicator data are currently unavailable for this topic. Relevant mitigation is in place and there is no direct evidence to suggest mitigation measures need to be modified at this time. This topic will continue to be monitored for emerging trends through the QSEMC process and community engagement conducted for the Project.</p>

7.2.2 Compliance Assessment

There is one Term and Condition in the Project Certificate pertaining to monitoring of the Human Health and Well-Being VSEC. The status of this is summarized in Table 7-12.

Table 7-12: Terms and Conditions for Monitoring the Human Health and Well-Being VSEC

Term and Condition No.	Description	Status
154	The Proponent shall work with the GN and the QSEMC to monitor potential indirect effects of the Project, including indicators such as the prevalence of substance abuse, gambling issues, family violence, marital problems, rates of sexually transmitted infections and other communicable	Baffinland has presented information (where available) on the prevalence of substance abuse, gambling issues, family violence, marital problems, rates of sexually transmitted infections and other communicable diseases, rates of teenage pregnancy, high school completion rates, and other topics (e.g.

	<p>diseases, rates of teenage pregnancy, high school completion rates, and others as deemed appropriate.</p>	<p>crime rates, EFAP usage) in the Socio-Economic Monitoring Report. This Term and Condition is more fully addressed in the following sections of this report: Section 4.1.2, Section 4.1.3, Section 7.1.5, Section 7.1.6, Section 7.1.8, Section 7.1.9, Section 7.1.10, Section 7.1.11, Section 7.1.12, Section 7.1.13, and Section 7.1.14.</p>
--	--	---

8. COMMUNITY INFRASTRUCTURE AND PUBLIC SERVICES

8.1 INDICATOR DATA AND ANALYSIS²³

8.1.1 Number of Project Employees and Contractors Who Left Positions in their Community

Data on the number of Project employees and contractors who left positions in their community can provide insight into potential competition for local workers being created because of the Project. Results from the 2019 Inuit Employee Survey presented in Section 4.1.8 indicate 17 individuals (or 26.6% of known survey responses) resigned from a previous job in order to take up employment with the Project. Of these individuals, nine were in casual/part-time positions and seven were in full-time positions (one was unknown). Survey results continue to indicate the Project may be having some effect on competition for workers in local communities. The highest recorded number and percentage of survey respondents who left positions in their communities to work at the Project (22, or 31.4%) occurred in 2018 (JPCSL 2018). However, some of the positions departed were also of a casual/part-time nature (7), rather than full-time, permanent employment. Some of the positions departed may have also been in communities outside the North Baffin LSA; for example, some individuals (5) listed their current community of residence as being outside of the North Baffin LSA during this survey.

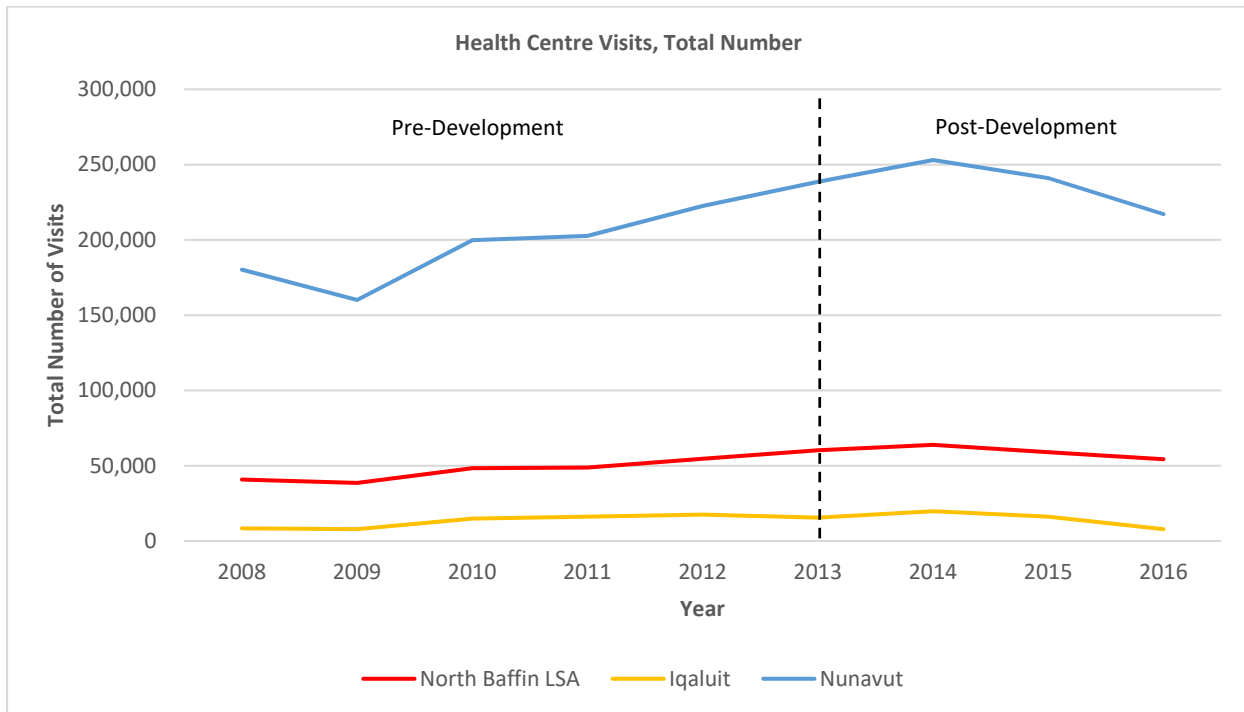
8.1.2 Number of Health Centre Visits (Total and Per Capita)

Health centre utilization data can be used to track changes to demands placed on community health services. 2016 was the most recent year data on the total number of health centre visits were available from the Nunavut Bureau of Statistics (2018e).²² Compared to the previous year data were available, the number of health centre visits have decreased in the North Baffin LSA (from 59,027 to 54,360), Iqaluit (from 16,233 to 7,953), and Nunavut (from 241,082 to 217,168). Compared to pre-development period averages, there have been increasing trends in the average number of health centre visits in the North Baffin LSA (from 46,264 to 59,402), Iqaluit (from 13,020 to 14,876), and Nunavut (from 193,066 to 237,453) in the post-development period. Figure 8-1 displays the number of health centre visits since 2008, while Table 8-1 displays average values for selected periods.

These data may be indicative of a negative Project influence, as there have been increasing trends in the total number of health centre visits in the LSA in the post-development period. However, these trends were also evident in the pre-development period and a similar situation has been noted throughout Nunavut, which suggests longer-term and/or broad-scale factors may be driving these trends rather than the Project. Health centre visits can be influenced by several factors and Baffinland will continue to monitor this topic for new insights that may emerge. As noted previously, the Government of Nunavut remains responsible for health care delivery and data collection in the LSA communities. It is unknown if the Government of Nunavut has information that would provide additional clarity on the trends observed. An MOU has also been signed between Baffinland and the Government of Nunavut's Department of Health regarding site health services and medevac procedures.

²³ Data for the indicator 'training and experience generated by the Project' are provided in Section 4.1.5 (Hours of training completed by Inuit employees and contractors), Section 5.1.1 (Hours of Project labour performed), and Section 5.1.2 (Project hours worked by LSA employees and contractors), rather than being duplicated here. Likewise, data for the indicator 'Inuit employee turnover' are provided in Section 5.1.4 (Inuit employee turnover), rather than being duplicated here.

Figure 8-1: Total Number of Health Centre Visits (2008 to 2016)



Source: Nunavut Bureau of Statistics (2018e)

Table 8-1: Total Number of Health Centre Visits (Averages for Selected Periods)

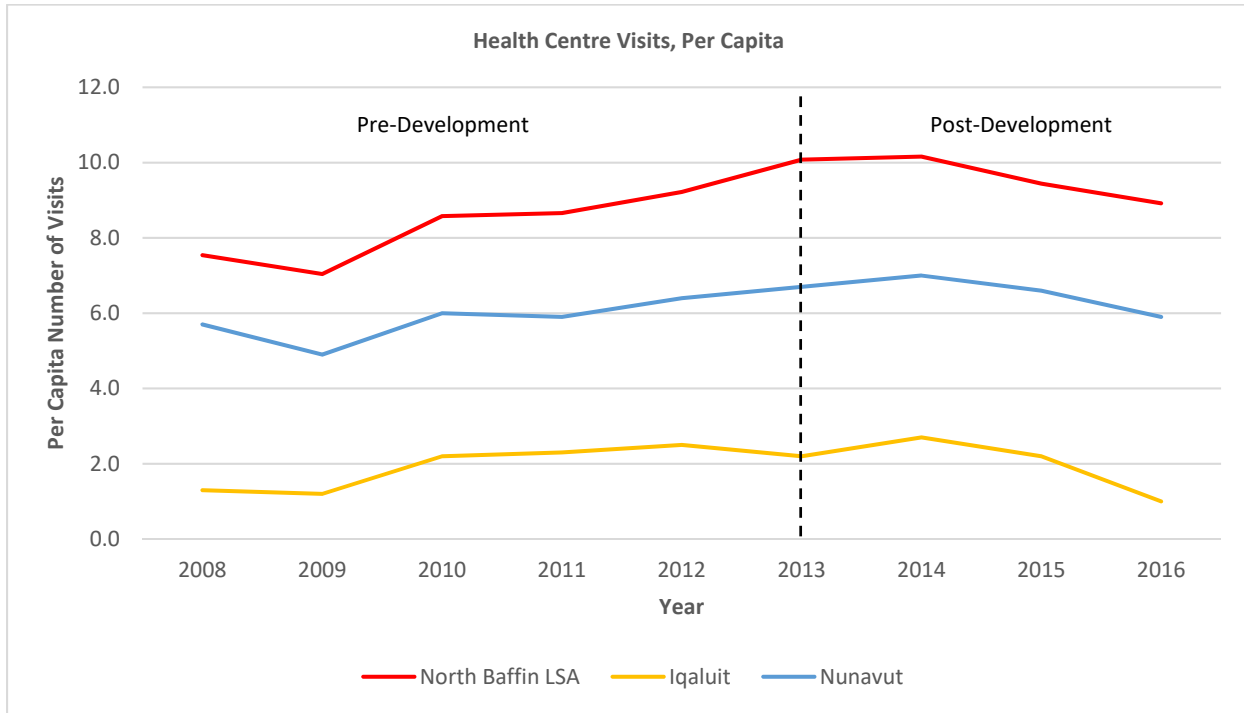
Total Number of Health Centre Visits						
Period	North Baffin LSA		Iqaluit		Nunavut	
	Average	Change in Average	Average	Change in Average	Average	Change in Average
2003-2007	39,915	–	7,009	–	186,579	–
Pre-Development Period (2008 to 2012)	46,264	+6,348	13,020	+6,011	193,066	+6,487
Post-Development Period (2013 onwards)	59,402	+13,138	14,876	+1,856	237,453	+44,387

Source: Nunavut Bureau of Statistics (2018e)

Notes: Some values may be affected by rounding.

2016 was also the most recent year data on per capita number of health centre visits were available from the Nunavut Bureau of Statistics (2018e).²² Compared to the previous year data were available, the per capita number of health centre visits have decreased in the North Baffin LSA (from 9.4 to 8.9), Iqaluit (from 2.2 to 1.0), and Nunavut (from 6.6 to 5.9). Compared to pre-development period averages, there have been increasing trends in the average per capita number of health centre visits in the North Baffin LSA (from 8.2 to 9.7), Iqaluit (from 1.9 to 2.0), and Nunavut (from 5.8 to 6.6) in the post-development period. Figure 8-2 displays the per capita number of health centre visits since 2008, while Table 8-2 displays average values for selected periods.

Figure 8-2: Per Capita Number of Health Centre Visits (2008 to 2016)



Source: Nunavut Bureau of Statistics (2018e)

Table 8-2: Per Capita Number of Health Centre Visits (Averages for Selected Periods)

Per Capita Number of Health Centre Visits						
Period	North Baffin LSA		Iqaluit		Nunavut	
	Average	Change in Average	Average	Change in Average	Average	Change in Average
2003-2007	8.0	–	1.1	–	6.2	–
Pre-Development Period (2008 to 2012)	8.2	+0.2	1.9	+0.8	5.8	-0.4
Post-Development Period (2013 onwards)	9.7	+1.4	2.0	+0.1	6.6	+0.8

Source: Nunavut Bureau of Statistics (2018e)

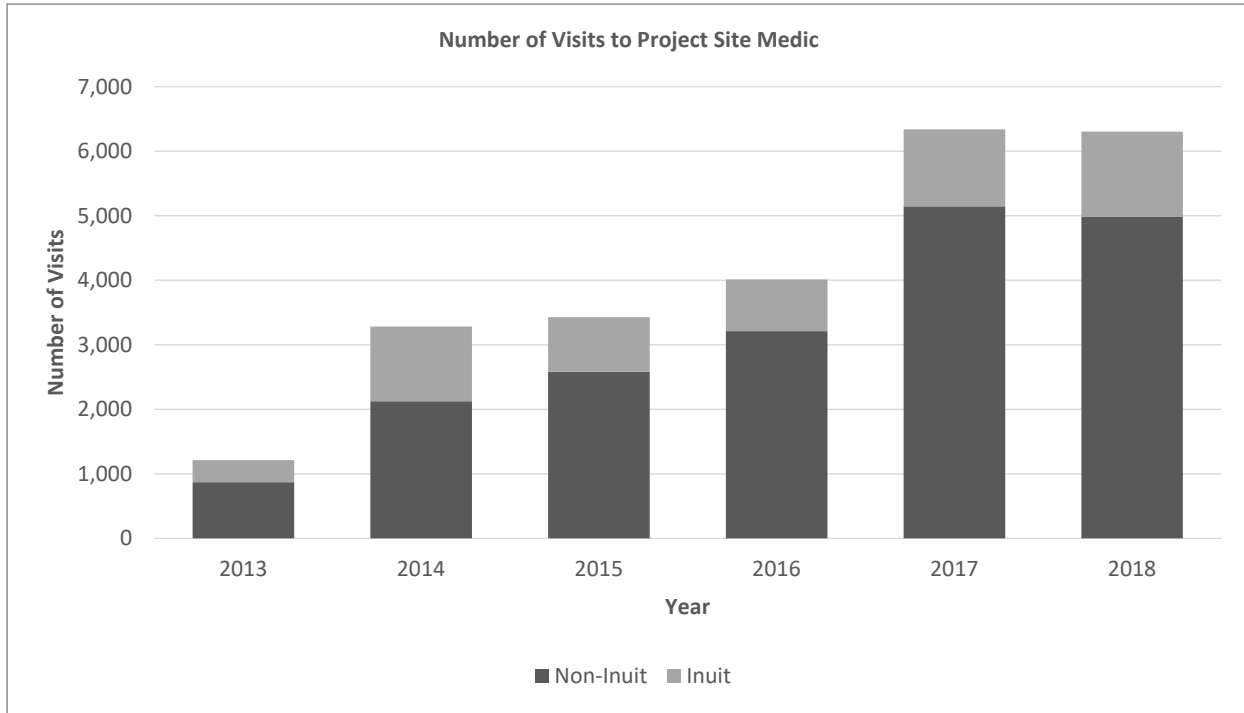
These data may be indicative of a negative Project influence, as there have been increasing trends in the per capita number of health centre visits in the LSA in the post-development period. However, these trends were also evident in the pre-development period. An increasing post-development trend has also been experienced throughout Nunavut, which suggests longer-term and/or broad-scale factors may be driving these trends rather than the Project. Health centre visits can be influenced by several factors and Baffinland will continue to monitor this topic for new insights that may emerge.

8.1.3 Number of Visits to Project Site Medic

Project site medic visit data can be used to track demands placed on Project health services. These data also provide insight into the role the Project may have in reducing demands placed on community health services (e.g. visits to the Project site medic may supplant some community health centre visits). Baffinland provides all employees with regular access to an on-site medic. In 2018, there were 6,301 recorded visits to the site medic, a decrease of 36 visits from 2017. 1,315 of these visits were by Inuit,

an increase of 122 visits from 2017. Figure 8-3 displays the number of recorded visits to the Project site medic since 2013.

Figure 8-3: Number of Visits to Project Site Medic (2013 to 2018)



Source: Baffinland

8.1.4 Baffinland Use of LSA Community Infrastructure

Baffinland continued to utilize some LSA community infrastructure to support ongoing Project development in 2018. This included full-time rental of five offices for BCLOs in the North Baffin communities of Arctic Bay, Clyde River, Hall Beach, Igloolik, and Pond Inlet, and one office for Baffinland’s Northern Affairs team in Iqaluit. This also included short-term use of meeting rooms and other local services for meetings and events held in various LSA communities, examples of which are provided in Table 8-3. The use of LSA community airport infrastructure, specifically, is addressed in Section 8.1.5.

Additional details on stakeholder meetings and events Baffinland has participated in may be found in the Company’s Annual Reports to the NIRB. Like previous years, Baffinland has continued to use some LSA community infrastructure to support ongoing Project development. This use is small in comparison to other ongoing community uses but does add some incremental pressure on LSA facilities. However, Baffinland’s rental of office spaces in the LSA is generally limited to small facilities (i.e. to support individual BCLOs and Northern Affairs staff), and the use of local meeting rooms and accommodations is often intermittent and short-term in nature. Furthermore, the use of these spaces is a positive contribution of the Project to local economies (e.g. through payments of rental fees, purchase of related goods and services).

Table 8-3: Meetings and Events Held in LSA Communities (2018)

Meetings and Events Held in LSA Communities in 2018	
Month	Meeting or Event
January	<ul style="list-style-type: none"> Meeting of the IIBA Joint Executive Committee (Iqaluit)
March	<ul style="list-style-type: none"> Meetings with the Hamlet and HTO (Pond Inlet)
April	<ul style="list-style-type: none"> Exploration program consultation meeting with the Hamlet and HTO (Hall Beach and Igloolik) IIBA Annual Project Review Forum (Hall Beach)
June	<ul style="list-style-type: none"> 6 MT application – Shipping management meeting with the HTO (Pond Inlet) Freight dock construction and offset – Marine monitoring programs meeting with the HTO (Pond Inlet) 6 MT application meeting with the Hamlet (Pond Inlet) Phase 2 impacts and mitigation meetings with Hamlets and HTOs (North Baffin communities)
August	<ul style="list-style-type: none"> Public meetings with the NIRB (Igloolik) Meeting with the GN Department of Economic Development and Transportation (Iqaluit) Meeting of the IIBA Joint Executive Committee (Iqaluit)
September	<ul style="list-style-type: none"> Employment and training opportunity community tour (North Baffin communities)
October	<ul style="list-style-type: none"> Baffinland President and QIA President met to sign the amended IIBA (Iqaluit) Meeting with QIA, NAC, Hatch, and the HTO regarding the Pond Inlet Training Center (Pond Inlet) Contracting and procurement information tour (North Baffin communities)
November	<ul style="list-style-type: none"> Meetings with Hamlets and HTOs to provide a Phase 2 information session (Pond Inlet and Arctic Bay) Baffinland President and QIA President meeting (Iqaluit) Meeting with the HTO to discuss the end of shipping and marine monitoring season (Pond Inlet) Meeting with DFO (Iqaluit) Meeting with QIA to discuss Phase 2 (Iqaluit) Meeting with the GN to discuss Phase 2 (Iqaluit) Meeting with CIRNAC to discuss Phase 2 (Iqaluit)
December	<ul style="list-style-type: none"> Q-STEP Project Advisory Committee meeting (Iqaluit) IIBA Employment Committee meeting (Iqaluit) Holiday community feast tour (North Baffin communities)

8.1.5 Number of Project Aircraft Movements at LSA Community Airports

To support the movement of workers, freight, and other materials to/from the Project, Baffinland is required to utilize community airport infrastructure in the LSA. This is due to the remote location of the Project and lack of viable alternative transportation methods (aside from seasonal marine re-supply). In 2018, there were 1,802 Project aircraft movements at LSA community airports, which is 174 more aircraft movements than in 2017.²⁴ This includes fixed-wing aircraft (e.g. passenger, cargo, and ‘combi’ type) and rotary-wing aircraft (e.g. helicopters used for site activities). Table 8-4 provides information on the number of Project aircraft movements at LSA community airports since 2014.

Project-related aircraft movements add some incremental pressure on LSA community airport facilities. However, LSA community airports regularly accommodate various non-Project passenger, cargo, and other aircraft (both scheduled and charter). In 2017 (the most recent year data were available) there were a total of 24,859 aircraft movements in the LSA. This includes 6,572 aircraft movements at North Baffin LSA airports (Statistics Canada 2018d) and 18,287 aircraft movements at the Iqaluit airport

²⁴ An aircraft movement is defined as a takeoff or landing at an airport. For example, one aircraft arrival and one departure are counted as two movements.

(Statistics Canada 2018e). Project-related aircraft movements at LSA community airports in 2017 represent a small portion (6.5%) of this total.

Table 8-4: Number of Project Aircraft Movements at LSA Community Airports (2014 to 2018)

Number of Project Aircraft Movements at LSA Community Airports					
Community	2014	2015	2016	2017	2018
Arctic Bay	122	126	120	138	124
Clyde River	114	112	112	144	132
Hall Beach	130	122	122	152	154
Igloolik	118	106	114	122	120
Pond Inlet	212	136	134	162	170
Iqaluit	876	708	652	910	1,102
Total	1,572	1,310	1,254	1,628	1,802

Source: Baffinland

Notes: Records are available from 2014 onwards. 2014-2016 records are for fixed-wing aircraft movements only. Records for 2017 onwards are for fixed-wing and rotary-wing aircraft.

8.2 EFFECTS AND COMPLIANCE ASSESSMENT

8.2.1 Effects Assessment

There were two residual effects for the Community Infrastructure and Public Services VSEC assessed in the EIS. Monitoring results applicable to these are summarized in Table 8-5.

Table 8-5: Effects Assessment for the Community Infrastructure and Public Services VSEC

Residual Effect	Summary	Monitoring Results
Competition for Skilled Workers	<p>The EIS predicted the Project could negatively affect the ability of hamlets to maintain their staff in the short-term, due to increased competition for skilled workers created because of the Project.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> Provision of ongoing skills training to local residents, combined with work experience generated by the Project. These measures are expected to increase the pool of skilled workers in the local labour force in the medium- to long-term and negate any short-term, negative Project effects. 	<p>Inuit Employee Survey results continue to indicate the Project may be having some negative effect on competition for workers in local communities. Results from the 2019 survey indicate 17 individuals (or 26.6% of known respondents) resigned from a previous job in order to take up employment with the Project. Of these individuals, nine were in casual/part-time positions and seven were in full-time positions (one was unknown). The highest recorded number and percentage of survey respondents who left positions in their communities (22, or 31.4%) occurred in the 2018 survey; however, not all these individuals were in full-time positions or necessarily all located in the North Baffin LSA. Ongoing training and experience generated by the Project (see Section 8.1.2), in addition to regular employee turnover (see Section 8.1.3), are expected to continue increasing the pool of skilled workers in the local labour force and may negate negative Project effects over time. Community engagement also continues to indicate a high demand for new employment opportunities exists in the LSA. However, this topic will continue to be monitored for emerging trends. There is no direct evidence to suggest mitigation measures need to be modified at this time.</p>

Labour Force Capacity	<p>The EIS predicted the Project could positively affect the ability of hamlets to maintain their staff in the medium- to long-term, due to increased labour force capacity created because of the Project.</p> <p>Relevant mitigation measures include:</p> <ul style="list-style-type: none"> • Provision of ongoing skills training to local residents, combined with work experience generated by the Project. Together, these are expected to increase the overall pool of skilled workers in the local labour force from which hamlets (and other local and regional organizations) can draw upon. 	<p>The Project continues to generate substantial training and experience opportunities for its employees (see Section 4.1.5, Section 5.1.1, and Section 5.1.2). Employee turnover also continues to occur at the Project (see Section 5.1.4), which ensures at least some previous Project employees become available for employment elsewhere. Together, these help to increase the overall pool of skilled workers in the local labour force from which hamlets (and other local and regional organizations) can draw upon. There is no direct evidence to suggest mitigation measures need to be modified at this time.</p>
-----------------------	---	--

8.2.2 Compliance Assessment

There are two Terms and Conditions in the Project Certificate pertaining to monitoring of the Community Infrastructure and Public Services VSEC. The status of these are summarized in Table 8-6.

Table 8-6: Terms and Conditions for Monitoring the Community Infrastructure and Public Services VSEC

Term and Condition No.	Description	Status
158	<p>The Proponent is encouraged to work with the GN and other parties as deemed relevant in order to develop a Human Health Working Group which addresses and establishes monitoring functions relating to pressures upon existing services and costs to the health and social services provided by the GN as such may be impacted by Project-related in-migration of employees, to both the North Baffin region in general, and to the City of Iqaluit in particular.</p>	<p>Baffinland continues to engage the QSEMC and SEMWG on its socio-economic monitoring program; the GN actively participates in both these groups. An MOU was also signed with the GN Department of Health in 2013 and subsequently updated in 2017 regarding site health services and medevac procedures. This MOU describes the health care staff and services Baffinland will provide on site, including procedures Baffinland will follow during medevac situations, for pre-employment medical examinations, and for the reporting and management of communicable diseases, among other topics. The MOU also describes how Baffinland will pay for and/or reimburse the GN Department of Health for costs associated with the medical transportation of employees and for conducting pre-employment medical exams.</p> <p>Baffinland monitors health and social services provided by the GN that may be affected by Project-related in-migration of employees through indicators in its Socio-Economic Monitoring Report (e.g. percentage of the population receiving social assistance, percent of health centre visits related to infectious diseases, total and per capita number of health centre visits, number of visits to Project site medic). In-migration of workers is one way the Project could negatively affect health and social service provision in the LSA. Company monitoring data suggest North Baffin LSA in-migration is not occurring in any significant manner (see Sections 3.1.2 and 3.1.3). Company monitoring data for</p>

		<p>Iqaluit are more limited, but a net of +1 individuals are known to have moved from the North Baffin LSA into Iqaluit since 2015 (data obtained from annual BCLO survey discussed in Section 3.1.2). More generally, Section 3.1.5 indicates an average of 53 Inuit and 7 non-Inuit employees / contractors with known origins lived in Iqaluit in 2018. Appropriate government-sourced migration data for the LSA are otherwise unavailable. However, the Project may also be contributing positively to LSA health service provision, by providing employees with regular access to an on-site Project medic and by providing various counselling and support services (e.g. EFAP, on-site Cultural Advisors, commitment to establish a Community Counsellor Program). This Term and Condition is more fully addressed in the following sections of this report: Section 1.2, Section 3.1.2, Section 3.1.3, Section 7.1.3, Section 7.1.11, Section 8.1.2, and Section 8.1.3.</p>
159	<p>The Proponent is encouraged to work with the GN to develop an effects monitoring program that captures increased Project-related pressures to community infrastructure in the Local Study Area communities, and to airport infrastructure in all point-of-hire communities and in Iqaluit.</p>	<p>Baffinland continues to engage the QSEMC and SEMWG on its socio-economic monitoring program; the GN actively participates in both these groups. Baffinland has presented information on Project-related pressures on community infrastructure in the Socio-Economic Monitoring Report. This includes indicator data on Baffinland use of LSA community infrastructure and the number of Project aircraft movements at LSA community airports. This Term and Condition is more fully addressed in the following sections of this report: Section 1.2, Section 8.1.4, and Section 8.1.5.</p>

9. RESOURCES AND LAND USE

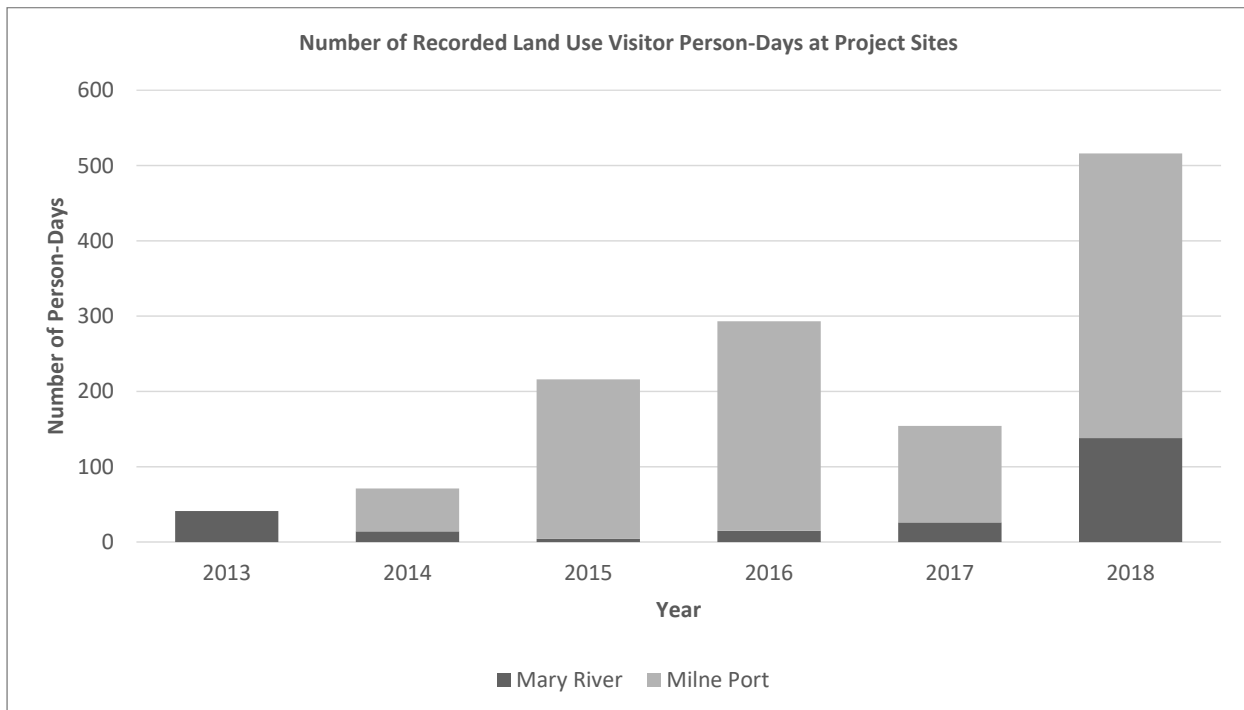
9.1 INDICATOR DATA AND ANALYSIS

9.1.1 Number of Recorded Land Use Visitor Person-Days at Project Sites

The number of recorded land use visitor ‘person-days’ at Project sites provides some indication of how often the Project area continues to be accessed for land use activities. Because groups of individuals may travel together and/or utilize Project sites over multiple days, person-days are useful for calculating the extent of site visitations in a year (i.e. one person-day is equal to one person visiting a site during one day, while ten person-days could equal one person visiting a site during ten days or five people visiting a site during two days). Baffinland maintains a Hunter and Visitor Access Log to track land use parties that pass through or use Project areas. Figure 9-1 presents the number of recorded land use visitor person-days at Project sites since 2013.

In 2018, a total of 516 land use visitor person-days were recorded at Project sites, which is 362 person-days greater than in 2017. Like previous years, most person-days were recorded at Milne Port (378), although Mary River did experience a notable increase in person-days between 2017 and 2018 (from 26 to 138). In addition, 55 person-days were attributed to a dog sled race passing through Milne Port in 2018. Project data continue to indicate some individuals are accessing Project sites for land use activities.

Figure 9-1: Number of Recorded Land Use Visitor Person-Days at Project Sites (2013 to 2018)



Source: Baffinland

Notes: This figure only includes recorded land use visitors at selected Project sites; as such, it may underestimate the total number of land use visitor person-days at all Project sites.

9.1.2 Number of Wildlife Compensation Fund Claims

The number of annual Wildlife Compensation Fund (WCF) claims provides insight into land use and harvesting issues which may be arising because of the Project. Established under Article 17.6 of the IIBA, the WCF is administered by the QIA and functions to compensate Inuit for loss or damage relating to wildlife suffered by such claimant or claimants as a result, directly or indirectly, of development activity related to the Project. 2018 data were not available at the time of report preparation. In 2017, one claim was submitted to QIA for review and was approved. It resulted in compensation of \$14,200.00 being paid out. By comparison, two claims were submitted to QIA for review in 2016; one claim was approved and resulted in compensation of \$600.00, while the second claim was reviewed and denied. WCF claim data continue to indicate some land use and harvesting issues are resulting from the Project.

9.2 EFFECTS AND COMPLIANCE ASSESSMENT

9.2.1 Effects Assessment

There were several residual effects for the Resources and Land Use VSEC assessed in the EIS. Monitoring results applicable to these are summarized in Table 9-1.

Table 9-1: Effects Assessment for the Resources and Land Use VSEC

Residual Effect	Summary	Monitoring Results
<p>Caribou Harvesting</p> <p>Marine Mammal Harvesting</p> <p>Fish Harvesting</p>	<p>The EIS predicted the Project could have a negative effect on caribou harvesting. Negligible effects on marine mammal and fish harvesting were also predicted.</p> <p>* While not all these effects were considered residual effects in Project EIS documents, they are included here for completeness.</p>	<p>Potential effects will continue to be tracked through Baffinland’s environmental monitoring programs. Terrestrial and marine monitoring are reviewed bi-annually by the Terrestrial Environment Working Group (TEWG) and Marine Environment Working Group (MEWG). Monitoring information on these topics can be found in Baffinland’s Annual Reports to the NIRB.</p> <p>Additional discussion relevant to Project harvesting interactions and food security is provided in Section 10.1.1 of the Socio-Economic Monitoring Report, which acknowledges that stakeholder concerns have been expressed about Project effects on harvesting. However, relevant mitigation is in place (e.g. Wildlife Compensation Fund, Harvesters Enabling Program) and Baffinland continues to make contributions to the components of food security through initiatives commensurate with its role as a regional mineral developer (see Table 10-1). This includes providing LSA residents with meaningful incomes (through employment) that enable the purchase of food and support the participation in harvesting activities, and through various related initiatives. Inuit employee harvesting is also permitted at the Project (subject to certain restrictions) although Baffinland’s 2018 Inuit Employee Survey indicates only minimal harvesting is currently conducted (12.1% of respondents indicated they participated in traditional activities</p>

		(e.g. hunting, fishing, harvesting) during their leisure time on site).
<p>Safe travel Around Eclipse Sound and Pond Inlet</p> <p>Safe Travel Through Milne Port</p> <p>Emissions and Noise Disruption at Camps</p> <p>Sensory Disturbances and Safety Along Milne Inlet Tote Road</p> <p>Detour Around Mine Site for Safety and Travel</p> <p>Difficulty and Safety Relating to Railway Crossing</p> <p>Detour Around Steensby Port</p> <p>HTO Cabin Closures</p> <p>Restriction of Camping Locations Around Steensby Port</p>	<p>The EIS predicted the Project could have some negative effects on Inuit travel and camping. These include effects on safe travel around Eclipse Sound and Pond Inlet, safe travel through Milne Port, emissions and noise disruption at camps, sensory disturbances and safety along the Milne Inlet Tote Road, detouring around the Mine Site for safety and travel, difficulty and safety relating to railway crossing, detour around Steensby Port, HTO cabin closures, and restriction of camping locations around Steensby Port.</p> <p>Shipping-related mitigation developed and/or proposed by Baffinland includes:</p> <ul style="list-style-type: none"> • Provision of community public safety awareness campaigns (e.g. informing the community of vessel movements, tracking the route and timing of passage, periodic public meetings and information sessions) • Establishing a detour around Steensby Port, and providing food, shelter, and fuel to detouring travellers. In addition, other mitigation measures have been identified for Steensby Port that will be implemented once that component of the Project is constructed. <p>Road and rail-related mitigation developed and/or proposed by Baffinland includes:</p> <ul style="list-style-type: none"> • Development of a Roads Management Plan (e.g. establishing speed control and signage, ensuring truck operator vigilance, reporting of non-Project individuals) • Public education • The addition of railway crossing locations <p>Mine site-related mitigation developed by Baffinland includes:</p> <ul style="list-style-type: none"> • Various public safety mechanisms (e.g. establishing signage and access barriers, restrictions on entering industrial sites) • Development of a mine closure plan • A Hunter and Visitor Site Access Procedure (an appendix to the Roads Management Plan; Baffinland 2016), which describes how land users can safely access Project facilities at Milne Port and the Mine Site. It further describes Baffinland’s policy prohibiting the public from unescorted travel on the Tote Road. Baffinland will instead transport land users and their equipment on the Tote Road in order to prevent land user-Tote Road traffic interactions. 	<p>Monitoring data suggest Inuit land use activities coexist to some degree with the Project, as local land users have continued to access Project sites since construction began (e.g. 516 land use visitor person-days were recorded in 2018). Various mitigation measures have been established by Baffinland to address effects on Inuit travel, camps, and harvesting. In addition to those already listed, Baffinland has contributed \$750,000 to a Wildlife Compensation Fund (administered by the QIA under the terms of the IIBA) to address the potential for wildlife-related impacts from the Project. Monitoring data indicate the WCF continues to be accessed by Inuit. Baffinland has also established a Harvesters Enabling Program in Pond Inlet through the amended IIBA, whereby Baffinland will contribute \$400,000/year for 10 years for a gas program to allow for more accessible travel to Inuit in the area. Relevant mitigation is thus in place and there is no direct evidence to suggest mitigation measures need to be modified at this time. However, limited monitoring data prevent a more detailed assessment from occurring. In addition, some effects related to the Steensby Inlet rail/port components are not anticipated until those components are built.</p>

9.2.3 Compliance Assessment

There are no Terms and Conditions in the Project Certificate pertaining to monitoring of the Resources and Land Use VSEC.

10. ECONOMIC DEVELOPMENT AND SELF-RELIANCE

10.1 INDICATOR DATA AND ANALYSIS

10.1.1 Project Harvesting Interactions and Food Security

Appropriate community-level indicator data are currently unavailable for this topic. As such, this topic continues to be tracked through the QSEMC process, community engagement conducted for the Project, and related information. Some Project stakeholders have previously suggested adverse effects on harvesting and wildlife have been experienced because of the Project (e.g. JPCSL 2017, 2018). Additional comments on this topic were recorded in 2018. These included comments on the impacts of shipping and noise on wildlife, water pollution from shipping practices, dust contamination and marine life, and the effects of mining and shipping on harvesting in the Project area. Examples include:

This year, they're going to increase the number of ships for the next four years, according to the plan. Especially the hunters there in Pond Inlet, they know the adverse impacts it would have with our environment. It would impact the wildlife. And we definitely have to have a meeting in Pond Inlet on this matter. [2018 IIBA Annual Project Review Forum Participant]

Just the clarification: Those country meat grew up from the country meat, those mammals. And on the land, caribou, Arctic caribou, we always eat them and... we always know where they're going... Baffinland, that impact with the caribou... laboured the caribou, newborn caribou. I remember, when I was in Pond Inlet when I was a kid... those family were walking from caribou hunting, from Pond Inlet to Mary River. They were walking, going for the caribou hunting. It used to be a gathering place for the caribou hunting... Mary River, it used to have caribou all the time. But this time I heard... when the mining start, there's no more caribou. That's what I heard from the people... animals always... they had good ears. Like, those heavy equipments and the other equipments... when they make a noise, the animals always go somewhere else. That's the impact by the Baffinland. [2018 IIBA Annual Project Review Forum Participant]

And this one shipping season, during the shipping, they always came in... through the Pond Inlet. The mammals will be -- will be impact -- will be moving on -- migrate again... it's almost migrating time, those mammals... I wonder what the Baffinland are thinking about the mammals. I wonder if they're being impacted by ship... The 2017 forum project about the Baffinland... now it's on the documentation: money, funding. Those animals on the land will always migrate. [2018 IIBA Annual Project Review Forum Participant]

... the impacts that we are experiencing is very new to us. It's impacting us. And the foxes that come... on site, I think, has been impacted the most. [2018 IIBA Annual Project Review Forum Participant]

We've seen this from the past because of too much shipment -- because there's too much traffic. The ocean is becoming more polluted because of the traffic, because in the past, there used to be Inuit camps, traditional camps. And we chose those traditional camps because of the abundance of the wildlife in that area, like, if there's fish or caribou, seals, and so forth. Like, I talked about this earlier... this has been previously approved, the shipping route... Milne Inlet will be waiting for ship -- waiting for load, to reload. They usually wait, I think --

especially last year, there was too many ships that went everywhere, and they were impacting the wildlife. So, therefore, they have impacted the migration of the mammals. And they usually... the ballast... they get rid of the old water in our Arctic Ocean, and they have noticed that it has impacted the microscopic organisms in our oceans... especially the mammals that go to the Arctic Ocean. They have been contaminated because of the... water being discharged in the Arctic Ocean. It's impacted the ocean. And in Milne Inlet area, it's the fishing ground. Tugaat Lake and Koluktoo Lake has the most abundant fish, and the fish is abundant in that area. And most of the lakes contain fish. [2018 IIBA Annual Project Review Forum Participant]

But we need to make an agreement, and we need to have further studies on the wildlife before they're polluted, before we're too late. And not only working on Inuit employment, we also need to... concentrate on not contaminating and polluting the ecosystem and the wildlife as well. [2018 IIBA Annual Project Review Forum Participant]

Shipping is occurring on hunting grounds and are too many ships are disturbing hunting grounds. [2018 NIRB Public Information Meeting]

Baffinland says that they won't affect us but it is affecting hunters who used to go to fishing sites in Milne Inlet. Now there are no fish. The dust is affecting the fish. Have to go close to Clyde River to fish now. Will there be any compensation to hunters from Baffinland for what they have done to the fish? [2018 NIRB Public Information Meeting Participant]

Concern over potential contamination of marine wildlife from shipping. [2018 QSEMC Meeting]

Concern regarding dust control and that dust must be uncomfortable for animals. [2018 QSEMC Meeting]

Additional comments (not necessarily all related to the Project) on country food and/or food security were recorded in 2018. Examples include:

You also mention in your recommendations about how the site needs to have more country foods available. At the DEW line site, not all of us bring country food with us, but sometimes... they share without asking. And it becomes a problem... because they think they stole our country food because they get taken or lost, because there's not enough country foods available there. [2018 IIBA Annual Project Review Forum Participant]

We've been looking at the fishing industry for ten years and it's positively impacted the community. We work with other communities - Resolute, Arctic Bay, Qikiqtarjuaq, and Grise Fiord... together to contribute to the fishing industry. People on social assistance have to pay a lot of money for products at the stores - up to 3 times more than other communities - so with the fishing industry we can also provide food to people with low incomes at low costs. All communities should work together to help people living on social assistance so they can afford more food. We are planning on doing a sealift order for people living with low incomes. [2018 QSEMC Meeting Participant]

Before they started the work, the construction workers are arriving in the summer and tools are coming up on the second last sealift ship. We can see the economic benefits that will come from this dock. The research ship Nulialuq has been researching sea depths and it was good to see what they can research. From the research we saw what we can harvest from the sea and that will have positive impacts for Pond Inlet. We were able to retrieve information that we didn't have before, such as clam information. We had no idea there were clams right in front of Pond Inlet. We can now see the economic benefit in harvesting clams and shrimps. [2018 QSEMC Meeting Participant]

Harvesting and consumption of country food remains a valued and important part of Inuit culture and diet. The stakeholder concerns expressed about Project effects on harvesting and wildlife are acknowledged. Concerns have also been expressed elsewhere about declining rates of country food consumption and the lack of food security in Nunavut, generally. However, statistical data on these topics are limited (i.e. full Aboriginal Peoples Survey data are only available from 2012 and only at the territorial scale, while 2017 data have yet to be fully tabulated).

Statistics related to harvesting and food security presented below pertain to Inuit aged 15 years or older living in Nunavut. For example, data from the 2012 Aboriginal Peoples Survey (Statistics Canada 2015a) indicate approximately 66% of Inuit hunted, fished, or trapped in the previous year, while approximately 37% hunted, fished, or trapped at least once a week during the season. Likewise, approximately 43% of Inuit gathered wild plants in the previous year, while approximately 29% gathered wild plants at least once a week during the season. Data from the 2017 Aboriginal Peoples Survey (Statistics Canada 2018f) indicate 65% of Inuit hunted, fished, or trapped in 2017, while 37% of Inuit gathered wild plants. These data suggest a declining trend in the harvesting of country food by Inuit in Nunavut.

Achieving food security remains a pressing issue in Nunavut (e.g. Nunavut Food Security Coalition 2014, 2016). Wallace (2014) notes food insecurity refers to situations, when, for example, the food that was purchased does not last, and there is not enough money to buy more; a household cannot afford to eat balanced meals; or household members cut the size of their meals or skip meals because there is not enough money for food. Data from the 2012 Aboriginal Peoples Survey (Statistics Canada 2015b) indicate approximately 25% of Inuit have very low food security, 26% have low food security, while 41% have high or marginal food security. Data on food security from the 2017 Aboriginal Peoples Survey were not available at the time of report preparation.

Data related to harvesting and food security have also been presented elsewhere in this report. For example, Sections 7.1.2 and 7.1.3 provide indicator data on household income and food security (i.e. proportion of taxfilers with employment income, median employment income, and percentage of population receiving social assistance). As noted in Section 7.2.1, there are positive indications the Project makes contributions to improved household income and food security in the LSA, by providing LSA residents with meaningful incomes (through employment) that enable the purchase of food and support the participation in harvesting activities. Baffinland also contributes to various community well-being initiatives directly (e.g. through the IIBA's INPK Fund, school meal program, seasonal country food exchange program, community food bank donations) and indirectly (e.g. through the QIA Legacy Fund and QIA Benefits Fund)¹⁸, which may assist individuals not directly benefiting from Project employment.

Likewise, Sections 9.1.1 and 9.1.2 provide indicator data on the number of recorded land use visitor person-days at Project sites and number of WCF claims. Monitoring data suggest Inuit land use activities coexist to some degree with the Project, as local land users have continued to access Project sites since

construction. Various mitigation measures have also been established by Baffinland to address effects on Inuit travel, camps, and harvesting. Baffinland has further acknowledged the potential for Project-related wildlife impacts and has established a Wildlife Compensation Fund to address this issue; monitoring data indicate this Fund continues to be accessed by Inuit. Inuit employee harvesting is also permitted at the Project (subject to certain restrictions) although Baffinland's 2018 Inuit Employee Survey indicated only minimal harvesting is currently conducted. When 'unknown' results were removed, 12.1% of respondents indicated they participated in traditional activities (e.g. hunting, fishing, harvesting) during their leisure time on site, 37.9% of respondents did not participate in traditional activities during their leisure time on site, and 50.0% of respondents didn't know they could participate in these activities during their leisure time on site. Of note, Article 11.14 of the IIBA allows for harvesting by Inuit employees during their leisure hours, subject to certain restrictions.

The Nunavut Food Security Coalition (2014) has outlined four components of food security (i.e. availability, accessibility, quality, and use) and factors affecting each component (see Table 10-1). Baffinland has acknowledged it can play a role in each of these food security components. However, the Nunavut Food Security Coalition (2014: 2) also highlights food security components "are influenced by many complex factors" and notes "this critical and complex issue is larger than the mandate of any one organization. A collaborative approach is essential."

Baffinland continues to make contributions to the components of food security through initiatives commensurate with its role as a regional mineral developer (Table 10-1). Baffinland has also developed mitigation and monitoring programs that aim to avoid or minimize adverse effects on terrestrial, freshwater, and marine resources important to LSA residents. Baffinland's Annual Report to the NIRB should be consulted for monitoring results and information specific to these topics. Harvesting and food security are complex issues that can be influenced by several factors and this topic will continue to be monitored for emerging trends.

Table 10-1: Food Security Components and Baffinland’s Role

Components of Food Security	Factors Affecting Each Component	Baffinland’s Role
Availability	<ul style="list-style-type: none"> • Family size • Human population size • Grocery supplies • Wildlife stocks • Distribution of wildlife • Environmental conditions 	<ul style="list-style-type: none"> • Providing employees with ample and healthy food choices while on site • Avoidance/minimization of adverse effects on the biophysical/socio-economic environment and on terrestrial/freshwater/marine resources utilized by LSA residents (verified through annual monitoring)
Accessibility	<ul style="list-style-type: none"> • Cost of food • Income levels • Gambling and substance abuse • Transportation effectiveness • Strength of sharing networks • Access to hunting grounds • Climate change 	<ul style="list-style-type: none"> • Providing LSA residents with meaningful incomes through employment that enable the purchase of food and support the participation in harvesting activities • Direct and indirect contributions to community well-being initiatives (e.g. INPK Fund, school lunch program, seasonal country food exchange program, community food bank donations, community feasts, and indirect contributions to the QIA Legacy Fund and QIA Benefits Fund) • Employee support through the EFAP, on-site Cultural Advisors, and the Community Counsellors Program • Avoidance/minimization of adverse effects on the biophysical/socio-economic environment and on terrestrial/freshwater/marine resources utilized by LSA residents (verified through annual monitoring) • Permitting Inuit employee harvesting during leisure hours (subject to certain restrictions) • Permitting Inuit non-employees to access Project sites and participate in harvesting activities (subject to certain restrictions) • Establishment of a Wildlife Compensation Fund to address potential impacts (\$750,000 in compensation has been set aside for Inuit harvesters for incidents of loss or damage relating to wildlife due to the Project) • Establishment of the Harvesters Enabling Program in Pond Inlet (\$400,000/year for 10 years, to provide gas to support local travel and harvesting activities)
Quality	<ul style="list-style-type: none"> • Nutritional knowledge • Health of store-bought food • Wildlife health • Food spoilage • Environmental contaminants 	<ul style="list-style-type: none"> • Providing employees with ample and healthy food choices while on site • Establishment of country food kitchens at the Mary River and Milne Port sites • Avoidance/minimization of adverse effects on the biophysical/socio-economic environment and on terrestrial/freshwater/marine resources utilized by LSA residents (verified through annual monitoring)
Use	<ul style="list-style-type: none"> • Traditional knowledge • Food preparation skills • Budgeting skills • Literacy rates • Language barriers 	<ul style="list-style-type: none"> • Completion of a comprehensive Inuit Qaujimagatunqangit study (on several topics, including harvesting), the results of which are publicly available • Establishment of country food kitchens at the Mary River and Milne Port sites • Commitment to offer financial management training and support to employees • Commitment to offer literacy and numeracy training to employees • Support for the use of Inuktitut at Project sites

Notes: Food security components and factors affecting each component were sourced from the Nunavut Food Security Coalition (2014).

10.2 EFFECTS AND COMPLIANCE ASSESSMENT

10.2.1 Effects Assessment

No residual effects specific to the Economic Development and Self-Reliance VSEC were assessed in the EIS. Rather, an integrated assessment of other VECs/VSECs was conducted for this VSEC. Relevant monitoring of residual effects continues to be conducted through other VECs/VSECs.

10.2.2 Compliance Assessment

There is one Term and Condition in the Project Certificate pertaining to monitoring of the Economic Development and Self-Reliance VSEC. The status of this is summarized in Table 10-2.

Table 10-2: Terms and Conditions for Monitoring the Economic Development and Self-Reliance VSEC

Term and Condition No.	Description	Status
148	The Proponent is encouraged to undertake collaborative monitoring in conjunction with the QSEMC’s monitoring program which addresses Project harvesting interactions and food security and which includes broad indicators of dietary habits.	Baffinland has presented some information on Project harvesting interactions and food security in the Socio-Economic Monitoring Report. Baffinland has also presented related information on household income and food security, and on land user-Project interactions in this report. Baffinland continues to engage the QSEMC and SEMWG on its socio-economic monitoring program. This Term and Condition is more fully addressed in the following sections of the report: Section 1.2, Section 7.1.2, Section 7.1.3, Section 9.1.1, Section 9.1.2, and Section 10.1.1.

11. BENEFITS, ROYALTY, AND TAXATION

11.1 INDICATOR DATA AND ANALYSIS

11.1.1 Payroll and Corporate Taxes Paid by Baffinland to the Territorial Government

The value of payroll and corporate tax payments by Baffinland to the Government of Nunavut helps demonstrate the Project's effect on revenues flowing to the territorial government. In 2018, Baffinland paid \$5,117,466.81 in employee payroll tax and \$5,938,059.00 in fuel tax to the Government of Nunavut.

11.2 EFFECTS AND COMPLIANCE ASSESSMENT

11.2.1 Effects Assessment

There was one residual effect for the Benefits, Royalty, and Taxation VSEC assessed in the EIS. Monitoring results applicable to this are summarized in Table 11-1.

Table 11-1: Effects Assessment for the Benefits, Royalty, and Taxation VSEC

Residual Effect	Summary	Monitoring Results
Project Revenues Flowing to the Territorial Government	The EIS predicted the Project would have a beneficial effect on revenues (e.g. through taxes) flowing to the territorial government. No specific mitigation measures were developed to support this prediction.	The Project continued to pay taxes to the Government of Nunavut in 2018. This is consistent with the EIS prediction of positive effects from the Project occurring on revenues flowing to the territorial government.

11.2.2 Compliance Assessment

There are no Terms and Conditions in the Project Certificate pertaining to monitoring of the Benefits, Royalty, and Taxation VSEC.

12. GOVERNANCE AND LEADERSHIP

12.1 INDICATOR DATA AND ANALYSIS

No monitoring indicators have been developed for the Governance and Leadership VSEC.

12.2 EFFECTS AND COMPLIANCE ASSESSMENT

12.2.1 Effects Assessment

No residual effects were identified for the Governance and Leadership VSEC in the EIS.

12.2.2 Compliance Assessment

There are two Terms and Conditions in the Project Certificate pertaining to monitoring of the Governance and Leadership VSEC. The status of these are summarized in Table 12-1.

Table 12-1: Terms and Conditions for Monitoring the Governance and Leadership VSEC

Term and Condition No.	Description	Status
168	The specific socioeconomic variables as set out in Section 8 of the Board's Report, including data regarding population movement into and out of the North Baffin communities and Nunavut as a whole, barriers to employment for women, Project harvesting interactions and food security, and indirect Project effects such as substance abuse, gambling, rates of domestic violence, and education rates that are relevant to the Project, be included in the monitoring program adopted by the QSEMC.	Baffinland has presented information (where available) on demographic change, barriers to employment for women, Project harvesting interactions and food security, and potential indirect Project effects such as substance abuse, gambling, rates of domestic violence, and education rates in the Socio-Economic Monitoring Report. Baffinland also continues to engage the QSEMC and SEMWG on its socio-economic monitoring program. This Term and Condition is more fully addressed in the following sections of the report: Section 1.2, Section 3.1.1, Section 3.1.2, Section 3.1.3, Section 3.1.4, Section 4.1.2, Section 4.1.3, Section 5.1.5, Section 5.1.6, Section 7.1.5, Section 7.1.6, Section 7.1.8, Section 7.1.9, and Section 10.1.1.
169	The Proponent provide an annual monitoring summary to the NIRB on the monitoring data related to the regional and cumulative economic effects (positive and negative) associated with the Project and any proposed mitigation measures being considered necessary to mitigate the negative effects identified.	Baffinland has provided a summary of regional and cumulative economic effects in the Socio-Economic Monitoring Report. This Term and Condition is more fully addressed in Section 13.1.2 of the report.

13. CONCLUDING REMARKS

13.1 SUMMARY

13.1.1 Report Summary

This report helps accomplish the objectives of the monitoring program (presented in Section 1.3) in several ways. Namely, this report has provided an assessment (in Sections 3 to 12) of selected socio-economic effects that were predicted to occur in the Project's EIS (Objective 1). This assessment has also provided insight into the functioning of Baffinland's socio-economic management and mitigation measures (Objective 2). Likewise, this report has provided information (in the 'Compliance Assessment' sections) that may assist regulatory and other agencies in evaluating Baffinland's compliance with socio-economic monitoring requirements for the Project (Objective 3). Finally, this report supports adaptive management for the Project, as issues identified in this report will continue to be monitored and opportunities for potential performance improvements may be assessed (Objective 4). Section 13.2 contains additional information on adaptive management measures.

13.1.2 Summary of Regional and Cumulative Economic Effects

The Project continues to make positive contributions to Nunavut's economy. As noted previously, 3.1 million hours of Project labour were performed by Baffinland employees and contractors in 2018, equal to approximately 1,529 FTEs. Of this total, 435,908 hours were worked by Inuit, representing approximately 216 FTEs. A total of 11.9 million hours of Project labour have been performed since Project development, of which 1.9 million hours have been performed by Inuit. In addition, \$12.0 million in payroll was provided to Baffinland Inuit employees in 2018 and, since 2014, Baffinland has provided \$45.2 million in payroll to its Inuit employees. Likewise, \$140.9 million was spent on contracting with Inuit Firms in 2018. A total of \$960.0 million has been awarded to Inuit Firms since Project development.

When compared to annual economic outputs for Nunavut as a whole, these values are notable. In 2017 (the most recent year estimates were available), for example, there were a total of 18,345 jobs held in Nunavut and 32,677,000 total hours worked (Nunavut Bureau of Statistics 2018g), with average weekly earnings of \$1,329.54 per employee (Nunavut Bureau of Statistics 2018h). By comparison, hours worked by Baffinland's employees and contractors in 2017 (i.e. 2,380,990) represent 7.3% of the Nunavut total.²⁵ Average weekly earnings of Baffinland's Inuit employees in 2017 were also higher than the Nunavut average, at \$1,719.17.²⁶

Mining remains an important contributor to the Nunavut economy. Nunavut's real gross domestic product (GDP) for all industries in 2017 was \$2,228.1 million.²⁷ Of this amount, '*mining, quarrying, and oil and gas extraction*' was responsible for contributing \$391.4 million (or 17.6%). Mining may also

²⁵ This is a general estimate only, as not all Project hours were necessarily worked in Nunavut (see Section 2.3)

²⁶ Baffinland Inuit employee numbers (93) and payroll amounts (\$8,313,897.59) for 2017 were presented in Baffinland's 2017 Socio-Economic Monitoring Report (JPCSL 2018). Inuit employee numbers in 2017 were calculated based on the average of quarterly totals. Weekly employee earnings are thus an estimate and may not fully reflect average amounts for the year.

²⁷ The Bank of Canada (2016) notes real GDP is "the most common way to measure the economy... GDP is the total value of everything - goods and services - produced in our economy. The word "real" means that the total has been adjusted to remove the effects of inflation." The real GDP amounts by industry presented by the Nunavut Bureau of Statistics (2018i) are in chained 2007 dollars.

make economic contributions to supporting industries such as *'construction'* (\$310.8 million contribution to the Nunavut economy in 2017), *'transportation and warehousing'* (\$53.8 million contribution to the Nunavut economy in 2017), and *'accommodation and food services'* (\$25.8 million contribution to the Nunavut economy in 2017), among others (data sourced from Nunavut Bureau of Statistics 2018i). The Mary River Project has likely been an important contributor to these amounts, as has Agnico Eagle Mines Limited's Meadowbank Mine and TMAC Resources Hope Bay Project (Nunavut's only other operating mines in 2017), and several other Nunavut-based mining projects that were in various stages of development in 2017. Mining in Canada, generally, contributed \$57.6 billion to the country's GDP, or 3.4% of total Canadian GDP (in 2016). The industry also directly employs more than 403,000 individuals and remains the largest proportional private sector employer of Indigenous peoples in the country (Mining Association of Canada 2018).

No negative regional or cumulative economic effects directly associated with the Project were identified in 2018. As such, no mitigation measures have been proposed to manage negative effects.

13.2 ADAPTIVE MANAGEMENT

This report has identified various positive effects of the Project and presents information that is consistent with several EIS predictions. However, some monitoring data have revealed unclear, inconsistent, or otherwise negative trends. Long-term monitoring will be necessary to track Project outcomes more fully over time and may contribute to an improved understanding of observed trends and causality. However, no need has been identified to substantially modify Baffinland's existing management/mitigation approach at this time. Project benefits are being delivered and actions continue to be taken by the Company to address issues that have been identified. It is also likely some Project benefits will take time to be fully realized. Likewise, the negative trends observed for some monitoring indicators are not all necessarily due to the Project, and there is currently no direct evidence to suggest key EIS predictions are inaccurate (although additional monitoring may be necessary in some instances).

LSA employment in 2018 was largely consistent with EIS predictions, although Inuit employment was somewhat less than predicted. There were also several Inuit employee departures noted. Inuit employment, contracting, and Inuit employee turnover are areas Baffinland has committed to continue addressing in 2019, and several initiatives are occurring in support of these efforts. This includes ongoing implementation of the IHRS (Baffinland 2018b) and IPCS (Baffinland 2017). The IHRS is a strategic document for Baffinland and describes goals and initiatives that will be used by the Company to enhance Inuit employment, training, and skills development at the Project. The IPCS addresses several Inuit contracting requirements contained in the IIBA and identifies preferential opportunities and procedures for Inuit Firms to contract with Baffinland.

Baffinland and QIA are also partners in the Q-STEP training program. Q-STEP is a four-year initiative being undertaken to provide Inuit with skills and qualifications to meet the employment needs of the Mary River Project as well as other employment opportunities in the region. The program consists of both work readiness measures as well as targeted training programs directed at apprenticeships, skills development, supervisor training, and formal certification in heavy equipment operation.

Likewise, the IIBA was renegotiated in late 2018 (QIA and Baffinland 2018) and includes various commitments that may assist with increasing Inuit employment over time (e.g. Work Ready Program, Baffinland Apprenticeship Program, Inuit Internship Program, hiring of Inuit Recruiters, \$10 million

commitment to a Baffinland Inuit Training Centre in Pond Inlet, establishment of annual Minimum Inuit Employment Goals). Continued monitoring of Inuit employment hours, Inuit employee turnover, and initiatives described in the IHRS, IPCS, Q-STEP, and IIBA will be needed to evaluate outcomes over time. More generally, Baffinland has committed to using adaptive management as a tool to identify and make necessary improvements to the Project's socio-economic performance in the future.

Effectiveness of the Project's socio-economic monitoring program will also continue to be evaluated in an ongoing manner. This may lead to future modifications of the Project's Socio-Economic Monitoring Plan (i.e. Baffinland 2018a), indicators used, and/or methods of analysis employed. Likewise, Baffinland has acknowledged data limitations currently exist for certain aspects of the monitoring program and welcomes feedback on potential program improvements. Baffinland also anticipates monitoring may cease for some indicators in the future, especially where EIS predictions have been sufficiently verified over time. Should the need arise to significantly modify the Project's monitoring program, the SEMWG will be consulted.

14. REFERENCES

- Arriagada, P. 2016. First Nation, Métis and Inuit Women. *Women in Canada: A Gender-Based Statistical Report*. Statistics Canada Catalogue no. 89-503-X. Released February 23, 2016.
- Baffinland Iron Mines Corporation (Baffinland). 2012. *Mary River Project – Final Environmental Impact Statement*. February 2012.
- Baffinland Iron Mines Corporation (Baffinland). 2016. *Roads Management Plan*. Document #: BAF-PH1-830-P16-0023. Rev. 5. March 16, 2016.
- Baffinland Iron Mines Corporation (Baffinland). 2017. *Inuit Procurement and Contracting Strategy*. Document #: BAF-PH1-230-P16-0001. Rev. 0. October 17, 2017. Submitted with the FEIS Addendum for the Phase 2 Proposal.
- Baffinland Iron Mines Corporation (Baffinland). 2018a. *Socio-Economic Monitoring Plan – DRAFT*. October 2, 2018. Submitted with the FEIS Addendum for the Phase 2 Proposal.
- Baffinland Iron Mines Corporation (Baffinland). 2018b. *Inuit Human Resources Strategy Procedure*. Document #: BAF-PH1-700-PRO-0005. Rev. 0. September 20, 2018. Submitted with the FEIS Addendum for the Phase 2 Proposal.
- Bank of Canada. 2016. Measuring Economic Growth. Accessed February 1, 2016.
<http://www.bankofcanada.ca/core-functions/monetary-policy/measuring-economic-growth/>
- Bell, J. 2012. Meadowbank a reality check for Nunavut mining: AEM executive. *Nunatsiaq News*. April 20, 2012. Accessed February 4, 2016.
http://www.nunatsiaqonline.ca/stories/article/65674meadowbank_a_reality_check_for_nunavut_mining_aem_executive/
- Boulet, V. and N. Badets. 2017. Early Motherhood Among Off-Reserve First Nations, Métis and Inuit Women. *Insights on Canadian Society*. Statistics Canada Catalogue no. 75-006-X. Released December 1, 2017.
- British Columbia Environmental Assessment Office (BCEAO). 2013. *Guideline for the Selection of Valued Components and Assessment of Potential Effects*. Accessed January 14, 2016.
http://www.eao.gov.bc.ca/VC_Guidelines.html
- Brubacher Development Strategies Inc. (BDSI). 2015. *Baffinland Iron Mines Corporation Mary River Project 2014 Socio-Economic Monitoring Report*. Prepared for Baffinland Iron Mines Corporation. March 2015.
- Burczycka, M. and S. Conroy. 2018. Family Violence in Canada: A Statistical Profile, 2016. *Juristat*. Statistics Canada Catalogue no. 85-002-X. Released January 17, 2018.
- Conference Board of Canada. 2016. Education and Skills in the Territories. Accessed February 16, 2016.
<http://www.conferenceboard.ca/hcp/provincial/education/edu-territories.aspx>
- Dicta Court Reporting Inc. 2018. *Baffinland Iron Mines Corporation's Mary River Project – Annual Project Review Forum Regarding the Inuit Impact Benefit Agreement, Public Forum Volumes 1 and 2*. Transcript of proceedings prepared by Dicta Court Reporting Inc. April 17-18, 2018. 327 pages.
- Eegeesiak, E. 2016. Inuit Firm Registry Coordinator, Nunavut Tunngavik Incorporated. Personal communication: February 2016.
- Government of Nunavut. 2014. *Public Service Annual Report 2013-2014*. Prepared by the Department of Finance. Accessed February 4, 2016.
http://www.gov.nu.ca/sites/default/files/public_service_annual_report_2013-14_english.pdf
- Gregoire, L. 2014. Nunavut premier says targeted training needed to build the future. *Nunatsiaq News*. January 30, 2014. Accessed February 16, 2016.
http://www.nunatsiaqonline.ca/stories/article/65674nunavut_premier_says_targetted_training_needed_to_build_future/

- Impact Economics. 2018. *Baffinland Iron Mines Corporation Mary River Project – Phase 2 Proposal: Labour Market Analysis*. Submitted as TSD-26 with the FEIS Addendum for the Phase 2 Proposal. Revised version submitted in December 2018.
- Jason Prno Consulting Services Ltd. (JPCSL). 2017. *2016 Socio-Economic Monitoring Report for the Mary River Project*. Report prepared for Baffinland Iron Mines Corporation. March 2017.
- Jason Prno Consulting Services Ltd. (JPCSL). 2018. *2017 Socio-Economic Monitoring Report for the Mary River Project*. Report prepared for Baffinland Iron Mines Corporation. March 2018.
- MacDonald, J. 2014. Occupational demand in the Nunavut mining sector: Developing the labour force. Presentation to the Nunavut Mining Symposium. Iqaluit, Nunavut. April 8, 2014.
- Mining Association of Canada. 2018. *Facts and Figures of the Canadian Mining Industry 2017*. Released March 15, 2018. Accessed July 25, 2018. <http://mining.ca/documents/facts-and-figures-2017>
- Mining Industry Human Resources Council (MIHR). 2014. *Nunavut Mining Hiring Requirements and Available Talent Forecasts 2014*. Prepared for and in partnership with the Government of Nunavut. Accessed February 16, 2016. http://www.gov.nu.ca/sites/default/files/nunavut_mining_hiring_requirements_and_available_talent_forecasts_web.pdf
- Mining Industry Human Resources Council. 2016. *Exploring Gender Inclusion*. Accessed January 4, 2017. https://www.mihhr.ca/pdf/MiHR_Gender_Report_EN_WEB.pdf
- Noble, B.F. 2015. *Introduction to Environmental Impact Assessment: A Guide to Principles and Practice*. Third ed. Toronto, Ontario: Oxford University Press.
- Nunavut Bureau of Statistics (NBS). 2009. *Guide to the Labour Force Survey in Nunavut*. Accessed February 17, 2016. <http://www.stats.gov.nu.ca/en/Labour%20survey.aspx>
- Nunavut Bureau of Statistics (NBS). 2016. *Nunavut Population Estimates by Inuit and Non-Inuit, Region and Community, 2001 to 2016 (3 tables).xlsx*. Prepared by Nunavut Bureau of Statistics December 1, 2016. Accessed January 5, 2019. <http://www.stats.gov.nu.ca/en/Population%20estimate.aspx>
- Nunavut Bureau of Statistics (NBS). 2017a. *Nunavut Secondary School Graduates by Community, 1999 to 2016.xlsx*. Prepared by Nunavut Bureau of Statistics August 31, 2017. Accessed January 5, 2019. <http://www.stats.gov.nu.ca/en/Social%20education.aspx>
- Nunavut Bureau of Statistics (NBS). 2017b. *Nunavut Secondary School Graduates, 1999 to 2016 (2 tables).xlsx*. Prepared by Nunavut Bureau of Statistics September 21, 2017. Accessed January 5, 2019. <http://www.stats.gov.nu.ca/en/Social%20education.aspx>
- Nunavut Bureau of Statistics (NBS). 2017c. *Nunavut Taxfilers with Employment Income by Region and Community, 2006 to 2015.xls*. Prepared by Nunavut Bureau of Statistics October 19, 2017. Accessed January 5, 2019. <http://www.stats.gov.nu.ca/en/Economic%20income.aspx>
- Nunavut Bureau of Statistics (NBS). 2018a. *Nunavut Population Estimates by Region and Community, 2001 to 2017 (2 tables).xlsx*. Prepared by the Nunavut Bureau of Statistics March 14, 2018. Accessed November 13, 2018. <http://www.stats.gov.nu.ca/en/Population%20estimate.aspx>
- Nunavut Bureau of Statistics (NBS). 2018b. *Nunavut Annual Migration Estimates, 1999 to 2018.xlsx*. Prepared by the Nunavut Bureau of Statistics October 1, 2018. Accessed November 13, 2018. <http://www.stats.gov.nu.ca/en/Population%20migration.aspx>
- Nunavut Bureau of Statistics (NBS). 2018c. *Nunavut Social Assistance Recipients, 2009 to 2017.xlsx*. Prepared by Nunavut Bureau of Statistics March 28, 2018. Accessed November 14, 2018. <http://www.stats.gov.nu.ca/en/Social%20assistance.aspx>
- Nunavut Bureau of Statistics (NBS). 2018d. *Nunavut Criminal Violations by Type and Community, 1999 to 2017 (26 tables).xlsx*. Prepared by the Nunavut Bureau of Statistics October 9, 2018. Accessed November 14, 2018. <http://www.stats.gov.nu.ca/en/Social%20crime.aspx>

- Nunavut Bureau of Statistics (NBS). 2018e. *Nunavut Community Health Centre Visits – 2003 to 2016 (28 tables).xlsx*. Prepared by the Nunavut Bureau of Statistics November 28, 2018. Accessed January 5, 2019. <http://www.stats.gov.nu.ca/en/Social%20health.aspx>
- Nunavut Bureau of Statistics (NBS). 2018f. *Nunavut Criminal Violations by Region and Community, 1999 to 2017 (16 tables).xls*. Prepared by the Nunavut Bureau of Statistics October 5, 2018. Accessed November 14, 2018. <http://www.stats.gov.nu.ca/en/Social%20crime.aspx>
- Nunavut Bureau of Statistics (NBS). 2018g. *Nunavut Number of Jobs and Hours Worked, 1999 to 2017.xls*. Prepared by the Nunavut Bureau of Statistics May 23, 2018. Accessed November 14, 2018. <http://www.stats.gov.nu.ca/en/Labour%20and%20employment.aspx>
- Nunavut Bureau of Statistics (NBS). 2018h. *Nunavut Employment and Earnings, 2001 to 2017.xls*. Prepared by the Nunavut Bureau of Statistics May 15, 2018. Accessed November 14, 2018. <http://www.stats.gov.nu.ca/en/Labour%20and%20employment.aspx>
- Nunavut Bureau of Statistics (NBS). 2018i. *Nunavut Real GDP by Industry, 2011 to 2017.xls*. Prepared by the Nunavut Bureau of Statistics May 2, 2018. Accessed November 14, 2018. <http://www.stats.gov.nu.ca/en/Economic%20GDP.aspx>
- Nunavut Bureau of Statistics (NBS). 2019. *Labour Force Tables for Nunavut, 3MMA Ending in December 2017 and 2018 (4 tables).xls*. Prepared by the Nunavut Bureau of Statistics January 4, 2019. Accessed January 30, 2019. <http://www.stats.gov.nu.ca/en/Labour%20survey.aspx>
- Nunavut Food Security Coalition. 2014. *Nunavut Food Security Strategy and Action Plan 2014-2016*. Accessed November 11, 2017. https://www.nunavutfoodsecurity.ca/sites/default/files/files/Resources/Strategy/NunavutFoodSecurityStrategy_ENGLISH.pdf
- Nunavut Food Security Coalition. 2016. *Homepage*. Accessed November 17, 2017. <https://www.nunavutfoodsecurity.ca/>
- Nunavut Impact Review Board (NIRB). 2013. *Monitoring: NIRB Public Guide Series*. Accessed January 7, 2015. <http://www.nirb.ca/guides>
- Nunavut Impact Review Board (NIRB). 2018a. *Project Certificate No. 005 for the Mary River Project, Amendment Number 02*. Issued by the Nunavut Impact Review Board to Baffinland Iron Mines Corporation on October 30, 2018.
- Nunavut Impact Review Board (NIRB). 2018b. *The Nunavut Impact Review Board's 2017-2018 Annual Monitoring Report for the Mary River Project (NIRB File No. 08MN053)*. Issued by the Nunavut Impact Review Board on November 8, 2018.
- Nunavut Tunngavik Incorporated (NTI). 2018. Inuit Firm Registry Database – Search the Registry. Accessed December 31, 2018. <http://inuitfirm.tunngavik.com/search-the-registry/>
- Pauktuutit, K. Czyzewski, F. Tester, N. Aaruaq, and S. Blangy. 2014. *The Impact of Resource Extraction on Inuit Women and Families in Qamani'tuaq, Nunavut Territory: A Qualitative Assessment*. Accessed January 26, 2017. <http://pauktuutit.ca/wp-content/blogs.dir/1/assets/Report-Final-Jan-2015.pdf>
- Pauktuutit. Undated. *Impacts of Resource Extraction on Inuit Women*. Accessed January 26, 2017. http://pauktuutit.ca/wp-content/blogs.dir/1/assets/08-Mining-Fact-Sheet_EN.pdf
- Qikiqtani Inuit Association (QIA). 2017. What is QIA's New Revenue Policy? Accessed October 18, 2017. <http://qia.ca/what-is-qias-new-revenue-policy/>
- Qikiqtani Inuit Association (QIA). 2018. *QIA Increases Daycare Subsidy to \$10/day*. August 9, 2018. Accessed November 25, 2018. <https://qia.ca/qia-increases-daycare-subsidy-to-10-day/>
- Qikiqtani Inuit Association and Baffinland Iron Mines Corporation (QIA and Baffinland). 2018. *The Mary River Project Inuit Impact and Benefit Agreement*. Amended and restated agreement made on October 22, 2018.

- Socio-Economic Monitoring Committees (SEMCs). 2018a. About. Accessed October 19, 2018. http://nunavutsemc.com/?page_id=4
- Socio-Economic Monitoring Committees (SEMCs). 2018b. Meeting Minutes - Qikiqtaaluk Socio-Economic Monitoring Committee Annual Meeting, June 20, 2018, Pangnirtung, Nunavut. Accessed November 2, 2018. <http://nunavutsemc.com/wp-content/uploads/2018/06/Qikiqtaaluk-SEMC-Minutes-2018.pdf>
- Sponagle, J. 2016. No childcare forces Iqaluit mom to leave town. *CBC News North*, July 11, 2016. Accessed January 26, 2017.
- Statistics Canada. 2012a. *Canada (Code 01) and Nunavut (Code 62) (table). Census Profile*. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Released October 24, 2012. Accessed November 17, 2017. <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E>.
- Statistics Canada. 2012b. *Iqaluit, Nunavut (Code 6204003) and Nunavut (Code 62) (table). Census Profile*. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Released October 24, 2012. Accessed November 17, 2017. <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E>
- Statistics Canada. 2012c. *Arctic Bay, Nunavut (Code 6204018) and Nunavut (Code 62) (table). Census Profile*. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Released October 24, 2012. Accessed November 17, 2017. <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E>
- Statistics Canada. 2012d. *Clyde River, Nunavut (Code 6204015) and Nunavut (Code 62) (table). Census Profile*. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Released October 24, 2012. Accessed November 17, 2017. <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E>
- Statistics Canada. 2012e. *Hall Beach, Nunavut (Code 6204011) and Nunavut (Code 62) (table). Census Profile*. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Released October 24, 2012. Accessed November 17, 2017. <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E>
- Statistics Canada. 2012f. *Igloolik, Nunavut (Code 6204012) and Nunavut (Code 62) (table). Census Profile*. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Released October 24, 2012. Accessed November 17, 2017. <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E>
- Statistics Canada. 2012g. *Pond Inlet, Nunavut (Code 6204020) and Nunavut (Code 62) (table). Census Profile*. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Released October 24, 2012. Accessed November 17, 2017. <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E>
- Statistics Canada. 2015a. *Table 576-0006 - Aboriginal peoples survey, harvesting activities by age group and sex, Inuit population aged 15 years and over, Canada and Inuit Nunangat, occasional*, CANSIM (database). Date modified November 9, 2015. Accessed January 9, 2017. <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=5760006&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>
- Statistics Canada. 2015b. *Table 577-0010 - Aboriginal peoples survey, food security, by age group, sex, and number of persons in household, Inuit population aged 6 years and over, Canada and Inuit Nunangat, occasional*, CANSIM (database). Date modified November 6, 2015. Accessed January 9, 2017. <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=5770010&pattern=&stByVal=1&p1=1&p2=-1&tabMode=dataTable&csid=>

- Statistics Canada. 2017a. *Arctic Bay, HAM [Census subdivision], Nunavut and Nunavut [Territory] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released October 25, 2017. Accessed November 13, 2018. <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>*
- Statistics Canada. 2017b. *Canada [Country] and Nunavut [Territory] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released October 25, 2017. Accessed November 13, 2018. <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>*
- Statistics Canada. 2017c. *Clyde River, HAM [Census subdivision], Nunavut and Nunavut [Territory] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released October 25, 2017. Accessed November 13, 2018. <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>*
- Statistics Canada. 2017d. *Hall Beach, HAM [Census subdivision], Nunavut and Nunavut [Territory] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released October 25, 2017. Accessed November 13, 2018. <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>*
- Statistics Canada. 2017e. *Igloodik, HAM [Census subdivision], Nunavut and Nunavut [Territory] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released October 25, 2017. Accessed November 13, 2018. <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>*
- Statistics Canada. 2017f. *Iqaluit, CY [Census subdivision], Nunavut and Nunavut [Territory] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released October 25, 2017. Accessed November 13, 2018. <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>*
- Statistics Canada. 2017g. *Pond Inlet, HAM [Census subdivision], Nunavut and Nunavut [Territory] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released October 25, 2017. Accessed November 13, 2018. <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>*
- Statistics Canada. 2018a. *Table 17-10-0005-01 Population estimates on July 1st, by age and sex. Date modified November 8, 2018. Accessed November 13, 2018. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000501>*
- Statistics Canada. 2018b. *Table 35-10-0185-01 Incident-based crime statistics, by detailed violations, police services in the Territories. Date modified November 14, 2018. Accessed November 14, 2018. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3510018501>*
- Statistics Canada. 2018c. *Table 13-10-0416-01 Live births, by age of mother. Date modified November 14, 2018. Accessed November 14, 2018. <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1310041601>*
- Statistics Canada. 2018d. *Table 23-10-0032-01 Aircraft movements, by class of operation and type of operation, airports without air traffic control towers, annual. Date modified November 14, 2018. Accessed November 14, 2018. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2310003201>*
- Statistics Canada. 2018e. *Table 23-10-0025-01 Aircraft movements, by class of operation, for airports with NAV CANADA flight service stations, annual. Date modified November 14, 2018. Accessed November 14, 2018. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2310002501>*
- Statistics Canada. 2018f. *Labour Market Experiences of Inuit: Key findings from the 2017 Aboriginal Peoples Survey. Catalogue no. 89-653-X. Date released November 26, 2018. Accessed January 10, 2019. <https://www150.statcan.gc.ca/n1/pub/89-653-x/89-653-x2018004-eng.htm>*

- Stratos Inc. (Stratos). 2017. *Meadowbank Gold Mine 2016 Socio-Economic Monitoring Report*. Submitted to Agnico Eagle Mines Ltd. December 2017.
- Taylor, S. 2002. *The Employee Retention Handbook*. London, England: Chartered Institute of Personnel and Development.
- Vanclay, F., Esteves, A.M., Aucamp, I. & Franks, D. 2015 *Social Impact Assessment: Guidance for Assessing and Managing the Social Impacts of Projects*. Fargo ND: International Association for Impact Assessment.
- Wallace, S. 2014. *Inuit Health: Selected Findings from the 2012 Aboriginal Peoples Survey*. Statistics Canada Catalogue no. 89-653-x – No. 003. August 2014.

APPENDIX A: 2018 QSEMC & SEMWG MEETING MINUTES

QSEMC Meeting, June 20, 2018 - Pangnirtung, NU

Attendees

Gabrielle Morrill - Iqaluit
Bethany Scott - QIA
Kimberly Masson - Embrace Life
Meeka Mearns - NBS
Timoon Toonoo - Cape Dorset
Mialiralaaq Judea - Kimmirut
Joshua Katsak - Pond Inlet
Jaypetee Audlakiak - Hall beach
Eljassie Kavik - Sanikiluaq
Mary Ann Qiyutaq - Qikiqtarjuaq
Andrew Moore - Baffinland
Jason Prno - Consultant for Baffinland
Rhoda Katsak - EDT
Chantelle Masson - EDT
Erika Zell - EDT
Frank May - Arctic Bay
Celestino Uyarak - Igloolik
Sandy Kautuq - Clyde River
David Abernathy - INAC
Stevie Komoartok - Pangnirtung
Luc Brisebois - QIA

Minutes

Opening remarks by chairperson - Speak in your most comfortable first language throughout the meeting. We have Baffinland representatives here. During the meeting if you have a question and you didn't say anything you can email me or write a letter with any questions, even after the meetings. Anything you read about and bring home you can ask me.

Mayor of Pangnirtung - I recognize many people around the table. Welcome everyone that is here.

Community Roundtable

Arctic Bay - The mine has a big impact on our community - 25 or so people working from Arctic Bay. I saw somewhere its 1.7 million in gross wages. From my point of view the impact from the mine has been positive. We've had a lot of exposure to the mine. A lot of people understand what's expected from the mine since Nanisivik has also been active there for quite a long time. The fiscal input for the minds also contributes to items such as Christmas hampers in communities. There's more money with Mary River than there was with Nanisivik. We are seeing some family issues with regards to rotational work. It takes a strong relationship at home to make it work but as of yet I haven't heard of any major issues concerning that aspect of the schedule.

Igloolik - Last year in Igloolik in regards to Baffinland's Mary River before an MOU was in place we are looking at their business plans. Igloolik people in the Hamlet are working much closer with Baffinland especially in construction of the roads leading to the mine. We are working on

some projects with Baffinland and one of those is a metal project. I can see the benefits that will come with that. During winter maybe an ice road could be constructed as its very flat. We had two close calls in terms of safety, but the age of the people was also a factor. Very large terrain so search and rescue do have to come around. In Hall Beach there are no docks, we want to work with other agencies to come up with programs to benefit the communities with services.

Clyde River - I went on the radio quite a bit to find out what the people would like me to bring forward to the meeting but didn't get any calls. I see people going to work at the mine, I see a lot of young people quitting school. This is something we should be targeting. Quitting school impacts their lack of employment later on in their lives.

Pang - We've had a lot of development with youth projects up until 2015 when we lost our funding. We've been lucky to have a society take over the youth center. Implemented a soup kitchen that serves 3x a week to roughly 30-6- people. Peregrine Diamonds have a project close to our community and we were hoping to see them today to get some information from them. Quite a few social issues in the community had roughly 12 attempted suicides in February. Drug and alcohol abuse is high in the community and roughly 90% of crime statistics are alcohol related. Pang will be very interested in learning from communities with mines nearby. There are very few to no people in the community working at the mines. We are interesting in knowing what other community's impacts to social well-being were with employment at the mine? Many of the communities will know about both positive and negative impacts and we are interested to learn what other's experiences are.

Iqaluit – Iqaluit has been seeing a lot of economic growth. 30 new businesses opened this year - most by non-beneficiaries. The beer and wine store opened this year, so some community members feel there is a lot more alcohol consumption happening and have seen some violent crimes. Number and severity of crimes has increased. Youth have a lot of high hopes with careers that they can follow but a few have said they are interested in work at the mine and QIA's training opportunities. Iqaluit has seen some in-migration from other communities. Some have partner's working at the mine and they hope to find employment and childcare. It may be better to break-down numbers by the community instead of regional/territorial.

Grise Fiord - We are now at about 130 residents - The alcohol and drug issue is also affecting our community. We are open without restrictions. Youth are trying out new drugs or alcohol and sometimes they over-indulge and we recognize that - it's normal for young people to try new things. People coming from other communities with restricted alcohol rules come to Grise Fiord and order large amounts of alcohol. As the alcohol committee we tell them to limit their alcohol intake since it has a large impact on families. We don't want to see alcohol being a major disruption in families' lives. If you're restricted in a community you are probably breaking the law to drink more. Before the children graduate school we try to teach them about what are acceptable limits so that if you're drinking, you're drinking responsibly. Unfortunately our students in the higher grades have been dropping out. We had graduates this year that we are very proud of. Only when they do their departmental exams do we know if they pass grade 12. It's always good to see students in the higher grades participate in activities such as sports to get out of their home community. We recently had a youth go to Indigenous games and Arctic Winter Games and they both got medals. It's a good opportunity to keep youth healthy and gives them exposure to other communities and cities. Not enough jobs available in Grise Fiord, we have no daycare. The daycare closed and now we are really hoping we can get another daycare opened. We have a privately owned gas bar that benefits the community economically. If we see someone coming in to sell liquor without a permit, the police are very active. When they hear of bootleggers, they meet them at the airport to stop negative impacts to the

community. There are many old houses that once housed police that need to be renovated. We have to work on beautifying the community. We had a small amount of seal pups because of the bad ice conditions due to a changing climate. There are many people who want to work at Mary River but a lot of people don't want to move to another community because it would impact their families. Some have moved to the south. We've been looking at the fishing industry for ten years and it's positively impacted the community. We work with other communities - Resolute, Arctic Bay, Qikiqtarjuaq, and Grise Fiord work together to contribute to the fishing industry. People on social assistance have to pay a lot of money for products at the stores - up to 3 times more than other communities - so with the fishing industry we can also provide food to people with low incomes at low costs. All communities should work together to help people living on social assistance so they can afford more food. We are planning on doing a sealift order for people living with low incomes. We are a happy community; we use the radio quite a bit especially when something affects the community we rally behind to family to come up with solutions.

Cape Dorset - The Co-op has been running very well. Kingait is a good resource for the community and work with other museums and galleries and do in-house artist presentations. We are working with better partnerships between Kingait and the co-ops. We are developing a local culture center on the culture industry signed to be manned by the hamlet employees. People who go to Dorset can purchase their art at the culture center that the hamlet and co-op are working together to build. The plans to open are in motion and we hope that the GN can assist us. GN employees will be going to the opening. GN has assisted in the construction of the building, and all partners at every level are invited to the opening. The Community Economic Plan is going ahead and is being used quite a bit, especially when we need new employees it's a good database to go to. This has been in motion for the last few years. Baffinland were never really a big part of our community but for airfare and meals they have been quite open and Dorset is seeing benefits. At the Hamlet level, the metal project is what we've been working on. It started last year and already had a positive impact. All the old cars, ATVs, anything metal related is being used in different ways. We are also working on the sewage and water pumps and fixing those since they are so outdated. We would also like those to be looked at by the Government. We try to assist all the businesses in the communities - Dorset Suites is doing very well. There is also a mechanical shop for cars and skidoos. They are working on the community economic plan and using different ventures for that.

Kimmirut - I haven't gathered a whole lot of information for this meeting. Everything seems to be fine; I try to assist individuals and the community as a whole. The sub-committee is tourism but due to having no EDO we don't meet very often. The job has been open for some time but no one has been applying. The EDO position changes quite a bit year to year and it makes it hard to gather information.

Pond Inlet - The dock (small craft harbor) construction has started and we thank EDT for providing funds and making this happen. Before they started the work, the construction workers are arriving in the summer and tools are coming up on the second last sealift ship. We can see the economic benefits that will come from this dock. The research ship Nulialuq has been researching sea depths and it was good to see what they can research. From the research we saw what we can harvest from the sea and that will have positive impacts for Pond Inlet. We were able to retrieve information that we didn't have before, such as clam information. We had no idea there were clams right in front of Pond Inlet. We can now see the economic benefit in harvesting clams and shrimps. Numbers of employees from Pond Inlet has been dwindling; we also see an impact from alcohol consumption. We knew ahead of time a lot of people would be leaving to work there and that there would be both negative and positive impacts. What we have

seen with alcohol is not good. Not just up in Pond but other communities too. We've had to let go of employees due to their alcohol consumption. We heard of one person making their own moonshine and drinking it up at the mine. We are aware of that problem - when you have a lot of money coming in it can impact the community. We are trying to educate about these impacts of having a mine nearby. Treatment options could be given to employees but there are no treatment facilities in Nunavut. The socio-economic impacts aren't really looked at or discussed. We are looking more into these impacts and how we can assist people who are making good money and how to be responsible with this money.

Baffinland - We appreciate you raising this concern and we do have resources for employees to help with these types of issues. One of these is the Employee and Family Assistance Program that employees can call a hotline 24/7 in all languages. Customized counselling for any issues including drug and alcohol, troubles with supervisors, etc. We've had a good uptake of individuals accessing this programming. We are always looking for solutions to help with negative impacts on and off the mine site.

Hall Beach - We received a letter inviting us to this meeting and the EDO was unable to attend. We are still without a dock but it's good to hear that some work will be done this year to look at the feasibility of dock construction. We are able to see lands now that we were never able to see before so climate change is impacting our community. As the permafrost thaws we will be seeing more changes of the land. When I was running for hamlet counsellor I was really vying for a dock which I think is why I got elected. We've lost a lot of boats because of the lack of dock and this costs people a lot of money to replace. Our public housing has a lot of mold issues. We are working with our MLA to fix this. One of our Hamlet staff houses is affected and we don't know if we can keep our hamlet employees if they don't have good housing. One of our employees wasn't sure if they would stay in the community since they don't have housing. Igloolik and Hall Beach are close to each other and we try to work together and keep our communication lines open as to how we can work together to create solutions for development. When we have the same vision it makes partnerships easier.

Sanikiluaq - For the last two months we've had no EDO and we are actively looking for one. We are seeking funds from other agencies. We have a new health center being constructed and a new water facility and expanding the dump. We are also looking to adding new roads to accommodate the increasing population. The recreation department will be doing day camps this summer for children. I don't know how we can participate more in employment and contracting with the mining industry. We would like to work more with the Mary River project. This summer and fall Sanikiluaq will be hosting the Elder meetings. Elders come from Nunavut and Nunavik.

Qikiqtarjuaq - Our mayor could not attend so I am here on behalf of the Hamlet. The garbage at the dump sometimes goes into the water reservoir and so we are working on that and we hire employees for a couple of days to clean up garbage around the community.

Nunavut Bureau of Statistics

Arctic Bay - Is there information on attendance rates on NBS website?

NBS - You have to ask Department of Education

Arctic Bay - Your total population numbers about 100 people higher than what CGS is using in their information

Igloolik - We see high population increases. We have seen some numbers different at the community level than what's being used at the government level.

NBS - There's two different ways of doing statistics - the ones from Statistics Canada that we get here they do counts every 4 years. They go to the houses and that's who we get our information from. That's where there may be some confusion

Igloolik - At the local level we know there were 20 births in the month of January.

Iqaluit - Population estimates - are transients measured? Municipally we are struggling to keep up with infrastructure demands.

NBS - We have a small office and we rely on Statistics Canada.

Embrace Life Presentation

Igloolik - We've been working with embrace life over the years. This information has helped us a lot. Last year we had a lot of instances and we try to help any way we can. We got the community involved to develop some action plans. We have a community wellness community working together to help improve community members lives. It has helped a lot, I'm sure many communities have the same issues. There are ways to find solutions when we work together.

Iqaluit - in Iqaluit we had two murder suicides and an Elder wanted to put on a program on "what is love?" vs. "what is abuse?" She would like to find training for a program like this and turn it into something more Inuit culturally appropriate.

Embrace Life – There is a program out of Rankin developed specifically for Inuit by Inuit. It's a family violence education program run through department of Justice. It's also delivered in schools. If the Elder wants a copy, I can provide.

Lunch Break

Meeting Resume at 1:15

Chairperson – This is a reminder that this is a discussion forum, we are a committee that can bring information back to our workplaces. If you want to share more information on impacts on your community and what you've seen please feel free to share. All of the reports from this committee meeting are shared with the NIRB.

****Arctic Bay - would like to see all the documents prior to the meeting *** ACTION ITEM FOR NEXT YEAR – Send all presentations and documents prior to meeting**

Indigenous and Northern Affairs - Nunavut General Monitoring Plan

Igloolik – The mayor met a group with the University of Ottawa and CGS came at the same time and we wanted them to meet with and talk to us about our drinking water. 2015 we ran out of water. Two years later they came to test how our water has improved - in Igloolik our water has to be snow or tap water because our drinking water has high levels of chlorine and we can't drink. I hope to see this improve in the future.

INAC - I understand CGS has worked with universities to look at these issues and make informed decisions. I should also note that we issue calls for proposals for projects (with one coming out in the fall). So I encourage you to think about NGMP and contact me about the programs we fund. They have to benefit community members so please share what your concerns are. You can also submit proposals for funding to do these projects. If there's an issue that's important to you we want you to come to us and perhaps create partnerships to do this research.

Baffinland - Introduction to Project and Update on Socio-Economic Monitoring Program Results

Baffinland has conducted a number of workshops with Elders in communities to discuss the best way forward with the updated phase 2 proposals.

Through the IIBA, QIA and Baffinland give preferential hiring to Inuit in the Qikiqtaaluk region with a focus on the 5 LSA communities. Also, Baffinland has committed to hiring Inuit from all Qikiqtaaluk communities. Baffinland will work with community members and has looked at covering expenses in working towards employment at the mine.

Pond Inlet - Is Baffinland making efforts to work with EDOs in the communities?

Baffinland - Yes this is something we are looking at. Baffinland hopes to make it as easy as possible for individuals to apply for employment at the mine. Not only to post these job opportunities, but finding the easiest way for people to apply for jobs at Baffinland.

Iqaluit - Do you know what communities they are moving into and out of in the LSA?

Baffinland - We have that data but if it's a single individual due to confidentiality reasons we can't necessarily report on this.

Iqaluit - I would like to look at how many people are moving into Iqaluit, is this possible?

Baffinland - yes we can look at the data sets for this information – ****Action Item – Share these data sets if possible**

Arctic Bay - What is the difference in the kind of jobs being done if you work directly with Baffinland vs. working as a contractor

Baffinland - We are a mining company so the general scope of work in general terms is that you're working in mine operations. However, drilling and blasting is done by contractors. Flight operations are contractors. Maintenance on the tote road is done by Baffinland employees. We have two kinds of contractors - service contractors (emergency electrician, power plant issues) and then we have workforce contractors - They provide services in emergency instances such as contracting flights if there are issues with charter flights not being able to come in from communities.

Pang - In the other section on the "other Nunavut" section on the table on page 13 it's all 0's. Why is that?

Baffinland - We have a commitment to hire from the Qikiqtaaluk region, it's also a lack of applications from other regions.

Pang - I know there are people working at the site even though it's not listed on the table.

Baffinland - That's a data gap and we will look into that

Arctic Bay - For heavy equipment training are you including training outside of the Mary River site?

Baffinland - You have to go through the site-specific training (specifically for safety reasons). Q-Step has also been initiated to provide a number of training aspects including pre-employment and apprenticeships. All individuals that complete this training will offer employment to all successful trainees. 48% of training hours went to Inuit in 2017.

QIA - Can you provide more information on school literacy and lunch programs?

Baffinland - We are currently providing school lunch programs at 3 schools. What we are going to do is help bring some learning opportunities into schools. So the food will be made at hotels and co-ops, but students will be cooking and serving, so will be learning at the same time about food safety and culinary skills. We also donated books to school libraries in the north Baffin communities. Through this initiative we were able to talk about opportunities at Baffinland and what education is required to gain this employment. This allowed Baffinland the opportunity to talk about the importance of staying in school to gain future employment.

Pang - Our youth are just starting to understand how important it is to have money in their pocket, have education, and the importance in saving money for the long-term. This is why you need to keep coming to the schools and remind students. It's only in the last few decades that we started attending school and it's only in the last 10-20 years we've been taught how valuable it really is to go to school. That's why we need companies to come to visit schools to keep our youth informed.

Baffinland - We agree and we are taking steps to do that. Our CEO's tour was an initiative related to this. They went into schools to talk about how important it is to keep attending school and to get an education to gain employment. We have people attending career fairs in schools, we attend graduations, and we encourage graduates and current students. Every graduate from the north Baffin receives a laptop from Baffinland with our laptop program.

Pond Inlet - QIA has the QSTEP program - are they working together with Baffinland?

QIA - The partners are Baffinland, QIA, Kakivak, Government of Nunavut and Government of Canada

Clyde River - We are very thankful for the laptop program but is there something else Baffinland can provide such as cell phones? Youth are using cell phones more than laptops these days.

Baffinland - This is something we can definitely take back and discuss. - ****Action Item – Baffinland to discuss the option of a cell phone program vs. laptop program**

Pang - Are there companies in Nunavut doing bear monitoring in Mary River? We have community members that haven't heard of that being an opportunity.

Baffinland - We do have bear monitors and they are contracted so it is people already employed by who we are contracting

EDT - Maybe some of these jobs that are open could be employed by Inuit (referring to slide13). Are there opportunities for more Inuit to be employed?

Baffinland - Yes there are initiatives and the important part of this report is that we can break down what things we are doing well and what things need improvement. Later we will talk about what things the company is doing to increase Inuit employment.

QIA - What are the reasons for such high turnover rates?

Baffinland - We report to QIA quarterly in our IIBA report. Generally we've heard 3 common comments on why staff leave Baffinland – 1) Found a job in my home community 2) Dislike of rotational work 3) Stress on family.

QIA - So this isn't only voluntary turnover rate?

Baffinland - This is terminations, individuals who quit, didn't pass their probation period, and no contract renewal.

Arctic Bay - Is there a way to compare turnover rates in other provinces at mines as well as GN turnover rates, and other companies?

Baffinland - Yes we do compare these rates. We also understand that there are high turnover rates in other companies in Nunavut and we can compare those numbers.

Baffinland does not turn a profit. All of our money is from our investors. That is why the phase development is so important so that we can get out of a deficit and get into a profit phase.

Iqaluit - Why did procurement values skyrocket in 2017?

Baffinland - 2017 was a construction phase year which involves a lot of contracting. Construction years are the big spending periods in a project.

Apprenticeship program is implemented right now. The company is very hopeful that every graduate of that 4 year program (on the job and apprenticeship) will all want to stay working for Baffinland or one of its contractors. To be an apprentice you must be registered with the GN by writing a pre-trades exam. Baffinland provides support to ensure that Nunavummiut can and will pass this exam.

EDT - A comment that was made on the Pond Inlet radio that it's so hard to hire Inuit. It's discouraging that you open the position but nobody applies. Another comment was that "when we get hired, we are hired for a position but when we get to site it's only a labor job. We applied for a different position but are hired for general labor positions". Ten positions were open - maybe 4 could be filled by Inuit? How many vacant positions were open but nobody managed to grab the opportunity. Do you have those numbers? What positions are possibly available?

Baffinland - We do not have those statistics right now. We have numerous positions open with a lot summer positions. We are targeting Inuit employees for every single position at the company but we don't have the specific statistics.

Pang - How many years' worth of mining do you believe there are?

Baffinland - 100 years but there's still a lot of exploration to do. The exploration that has been done to date shows the iron is at the highest grade and is sustainable for at least the next 100 years.

Pang - Are employees bringing drugs and alcohol on-site?

Baffinland - We have a zero tolerance policy and bags are screened before employees come on-site

Cape Dorset - In regards to turnover rate, do you monitor the gender of turnover.

Baffinland - We do capture that information we just don't report on it in this monitoring program report. I can provide that information if people are interested.

Qikiqtani Inuit Association

Igloolik - Will there be another survey in the next 5 years?

QIA - 2019 or 2020 would like to survey again. It depends on funding, capacity to coordinate the project, etc.

Igloolik - The self-reported gambling numbers might be a little low.

Baffinland - Would you do the same communities again?

QIA - Yes

Baffinland - You asked the question about community consultation, 69% said not enough, was the question general, specific to mining, government, etc.

QIA - I believe it was quite general but I can double check.

Embrace Life – In regards to the dialogue about social networking, were there discussions or questions about social media?

QIA – The questions focused more on face-to-face dialogue and didn't focus so much on social networking.

Pang - Government of Canada sent in people to do the census and going house to house and did not bring interpreters and did not understand what is needed going door to door. The way you performed the census seems like a much better approach.

QIA - The contractor hired on to help develop the census went on to hire at least two of our community researchers to help the Department of Health in doing their own (unrelated) survey that the contractor was helping Health develop and implement.

QIA - There is a final report on the website and is currently being translated.

EDT - In Baffinland's presentation there is a slide on data gaps and it has gambling issues as one of those gaps but I see you presented on it and collected it - can you share this?

QIA - We can share it. We don't do the survey annually but it is information all stakeholders can use in monitoring. - **** Action Item – QIA to share results of gambling issues data**

Closing Statements for afternoon session

EDT - After supper please consider everything that was presented today and come back with questions and observations. Are there things that you aren't seeing? Are there items you would like to discuss more? We won't have any presentations, just more discussions.

End of Afternoon

Evening Session - Open Discussions, Q & A, Roundtable

Iqaluit - On social media there was a disturbing article about a woman reporting that she was sexually harassed at the Baffinland mine and some posts from employers talking about Inuit women at the Mary River site. Regarding the 46% turnover rate numbers - who was delivering this survey to the staff to get these reasoning's behind their leaving?

Baffinland - The CEO delivered a statement on this today. The company was very disturbed to read this online, we want the employees to be comfortable to come to HR and Elders. A full investigation will be done and if these allegations turn out to be true, these individuals will be terminated. Second part of the question - in the presentation, when we report turnover it's all encompassing (quit, dismissed, end of contract, temporary position). We also look at it quarterly because in the summer we have many more employees than in other seasons. So through the reporting, that counts as turnover too. We report to QIA about turnover and employee retention rates. We offer employees exit interviews, but these are voluntary. With Inuit employees this interview is done with an HR representative and Elders.

Iglolik - Last year we discussed potential visits to Mary River for Mayors and administrative staff. Is this an option, has this option been explored?

Baffinland - If you can find a time to make it work, email us with dates and names of Mayors/staff and Baffinland can make that work. - **** Action Item – Community Mayors to send information to Baffinland to organize site visits**

Pang - General observation as a nurse working with clients from the mine over many years. It is not uncommon that STIs are contracted on the mine site. Do any of the mines have clear responsibilities and accountability to ensure that public health measures are being implemented? This is a common impact on social and family well-being. Does the Government provide any regulations or Government inspections on the mines in this respect? Or on the health and well-being of families and individuals? If there is no such public health accountability, were there any thoughts to implement such a thing or these protocols?

Baffinland - We have an MOU with the GN for the provision of certain health services. For employees at the mine, they have to go through pre-employment checks, including a medical exam. This is in place to protect the individuals and avoid any unknown medical incidents due to any underlying medical conditions. On-site we have 2 physician assistants to provide check-ups and guidance on various health matters. We do have to report through the NIRB about

communicable diseases on-site. Project certificate condition 154 asks Baffinland to report on rates of STI's and communicable diseases.

GN - Regulations exist under the Public Health that requires the reporting of incidents of communicable diseases, including sexually transmitted infections. Department of Health is working very hard to ensure that Companies provide STI testing on-site, there may have even been agreements made in some of the new project terms and conditions in other Projects agreeing to provide this testing.

Pang – This should be followed up on by the socio-economic monitoring committee and statistics should be kept so that we know what types of measures are being taken and whether we see any progress being made. Mines and stakeholders need a system in place where accountability will be measured.

Pang - In this community we work on many ventures. It's hard being a business owner; it's mainly non-Inuit who own businesses here. When you're starting out in business you're a small operator. I've had my painting business for the last 5 years and I rent out vehicles. It is a slow progress but it's something I work on that helps the community. You are required to have housing, a good building, and good tools as a business owner. There are a lot of regulations that you have to abide by. When Nunavut was created we had a lot of visions to have a lot of small business in small communities but today that is not the case. It takes a long time to create stability in businesses. It's very important to support the small businesses in your community and other communities.

Grise Fiord – Why didn't Peregrine Diamonds attend?

EDT - We invite them every year, this year they were unable to attend. We will follow up with them to have any questions answered. - ****Action Item – EDT to follow up with community representatives and pass along questions to Peregrine Diamonds**

EDT - You saw the statistics reports and the presentations given today. Are there any questions, comments, and were you surprised by any of the numbers or presentations given this afternoon?

Arctic Bay - When talking about socio-economic development in the communities, in my mind the biggest infrastructure issue in Nunavut is housing. If you can't fix inadequate housing, you aren't fixing the problem of all the other social and economic problems. There isn't enough money coming out of Nunavut to take care of all of our housing needs. The communities in the Qikiqtaaluk region, there is an awful lot of royalty money flowing into QIA from Mary River, and has there ever been any thought given to setting up a housing co-op to help out some employees and to give them an initiative to stay in their job, maybe a mortgage fund, to get out of social housing and get their own house.

QIA - Department of social policy spends a lot of time talking about housing and education. When it comes to all of the millions of dollars flowing to QIA, 2 years ago QIA set up a new revenue policy to do with the royalties coming from many different areas. Revenue policy sets up two funds - legacy fund (how we will save and invest this money) because there wasn't a desire to spend all this money and it's gone. So the legacy fund is to save and invest until there's \$75 million and QIA board will look at what happens when we reach that target (now at about \$36/37 million). The investment is a 4% amount of the legacy fund and this money is how we spend this money. QIA is committed to going to all communities every 2 years asking what

programs communities want them to spend it on. At that time the answers were cultural activities, sewing programs, daycares and early childhood education. Set up the new Q-CAP program - The QIA board wants to be re-elected so they want to deliver things that want to be seen. So at the next consultations there's opportunity for people to say what it is they want and need. If this means asking about helping us with housing, then that's how you can influence them. QIA also manages IOL's where there are parcels in municipalities (such as in Iqaluit, where QIA is developing municipal IOL). QIA is committed to putting affordable housing for Inuit on this piece of land - we don't know what it will look like yet, but they have committed. This way, we see what works, what can be improved, and other communities with IOL can then replicate these successes. If you have IOL in your municipality, talk to your QIA director and discuss these options.

QIA – We've also been attending poverty reduction roundtable and housing is the main priority. We developed a model that we pushed forward to Family Services also attended the Northern Housing Forum where we discuss many aspects of housing in the arctic. Housing is at the top of the list.

Igloolik - We've been talking about housing for employees since 2013 and we worked on a 5 year plan. This is something we are still trying to work with; we know these employees need housing. We are trying to acquire a building to do research, looking at other ventures too. Under education and skill building, 2012-2014 some research had been done so there's been a lot of ongoing research but no production yet. We've notified QIA and EDT and Baffinland that we would like to work with these corporations, as well as other agencies and government. We want the fishermen in our communities to benefit. We also have a music festival in our community to bring happiness to the community.

Clyde River - Our community members are seeing and benefitting from employment at Baffinland. We are expecting a bigger payout to work closer with Baffinland. What Arctic Bay discussed about housing, this is an everyday issue. Inadequate housing results in other social and wellbeing issues. We would like to see QC and QIA providing funds to smaller communities. The dropout rate is very high in our communities from schools which impact their future employment since they don't have the right education and skills.

Iqaluit – I want to reiterate that it's not accurate to lump communities in with Iqaluit when it comes to monitoring. Because of the population of Iqaluit, results will be skewed. I would like to see Baffinland separate Iqaluit from the rest of the communities when it comes to statistical analyses. In regards to Government of Canada, we never see federal representatives do community consultations. When they do consultations in Iqaluit they never give a lot of warning, they never visit anywhere other than Iqaluit, and since there isn't a lot of warning there are very few community representatives that turn out to the consultations. Please send back that we need adequate advance warning for communities, and go see other communities. How many Inuit Owned Businesses were unable to start up because of inadequate buildings for their business, or inadequate funding? I know of many people that have tried to startup businesses but they were Inuit owned, Inuit staffed, fluent in Inuktitut and were unable to find funding for their business. A month or two ago we put in a request to remove section 12 of the Cities, Towns and Villages act. For monitoring Projects, is there any support that could go towards staff administration costs? So many organizations are understaffed that they can't take on the opportunities that are handed to them because they are so short staffed.

INAC - We do expect organizations to pay their own staffing funds with the NGMP monitoring program funds. In regards to the Minister visiting, a lot of work is put in to meet with the right people but it's hard to meet with everyone all the time.

Baffinland - In regards to Inuit Business, Baffinland has an agreement in their IIBA that supports the development of Inuit owned businesses. This can help to pay for business licenses and the process to obtain a business license done through QIA. QIA has reported that it is underused, so this is an available funding source.

Iqaluit - It's not always getting the funding that's the issue, it's also skills development and help getting through the paperwork process on the Hamlet's part.

Grise Fiord - Which Inuit Owned Businesses does Baffinland give money to? QIA and NTI registered businesses? We need help for the business owners to get started up. I just learned there is the \$75 million target from QIA; I had never heard that before. I've gone through so many meetings for a long time. We hoped and were expecting that we would benefit from this money. There are only a few thousand people even a small amount would be enough. There are so many elders with businesses in our communities; they don't always get as much help as they should. It would benefit our communities. People are tired of waiting for this \$75 million cap, there are people starving, there are many elders who have nothing. We're working with Baffinland; we need to work together by listening to each other. Inuit need more, if we can think about today, and not necessarily waiting for the future. We have the lowest population and we are told that our community is too small but we need equal treatment. It's hard to hear that there's money there but it isn't being utilized. We need to look into all these buildings that aren't being used in communities. Elders are abused, they've never been employed, and they don't have food to eat.

Cape Dorset - Quite happy with all the presentations that were in front of us and the flow of the agenda, feeling like we are getting a lot more answers instead of "I will get back to you".

Pond Inlet - Looking at the Nunavut Agreement, a lot of Inuit have not looked into the document and what we are entitled to. Under the NLCA, we as Inuit have a lot of power. We do not understand it as to how we should be using what is granted to us. Hunter's capabilities and abilities are much more than when we were previously with NWT. There are other schedules under the NLCA that we need to use and understand. Maybe we should look at developing some kind of training for Inuit to better understand NLCA and how Inuit can better benefit in the long term.

Hall Beach - I had said when we started that this is more of a learning curve for me. After what I've heard and seen, I'm very happy with what we do here at the SEMCs. We have offices in the 5 communities that make our work a lot easier and our communication lines much more open. We were very happy to hear about the new ventures that Baffinland is going ahead with, with the other communities. QIA has an office in each of these communities where people can go and discuss and learn more. Unfortunately not every community has an EDO, but maybe each QIA community office could be a place for people to get information and pass along information.

Sanikiluaq – Thank you to all the presentations, and from Embrace Life, I thank you.

Qikiqtarjuaq – Discussing new businesses and small businesses, I hope to see more opening. Especially for carvers and artists, I really want them to benefit.

EDT - I want to comment on NLCA Article 12.7, it is specified there and that is why we are meeting today. It is legally binding. Our job is to comply with the NLCA and we gather information from our communities and yes we do need to have a better understanding on what our communities are asking for and how we can support them. Once we know the NLCA better, we can make better agreements.

QIA - QIA does have funding available that individuals, community groups, and hamlets can access. There is an annual \$750,000 funding that communities can apply to. They take proposals throughout the whole year. QCAP program funded 31 projects in communities; a second callout is coming around the middle of July so I encourage you to apply for this. QIA also has a grants and contributions program where you can ask for smaller amounts of money. Business capacity and start up fund that provides funding to expand businesses or startup businesses.

Iqaluit - I have had people ask about Inuit owned businesses so if these stats are available as well as the GDP that comes from these.

Embrace Life - We fully fund a firearms safety course so that we can wave the fee for community members as long as there is an instructor in your community. Healthy Nunavummiut are healthy for everyone, so if there is a service that we can provide in your community or your corporation or your hamlets, we can provide services and work together.

Closing

There was a vote for where the next QSEMC meeting will be held. The results were as follows:

- 6 votes Iqaluit
- 5 votes Cape Dorset
- 4 votes Baffinland
- 1 vote Clyde River

Therefore, the next meeting will be in May in Iqaluit; dates, location and logistics to be confirmed

Action Items

Item	Organization	Timeframe
Send all presentations and documents prior to meeting	GN - EDT	1-2 weeks prior to next SEMC meeting and all meetings following
Share data of Mary River employees moving into Iqaluit (specifically to Iqaluit representative) – if available	Baffinland	As soon as possible and discuss at next SEMC
Separate Iqaluit from the rest of the data results – look at a community based approach for monitoring if that data is available so as not to skew the results due to Iqaluit's high population	Baffinland	Ongoing

Discuss and explore the option of turning the laptop program into a cell phone program	Baffinland	As soon as possible and report back to communities
Share results of reported gambling problems with SEMC and SEMWG	QIA	Immediately and discuss at future meetings
Send information (dates, names, availability) of interested Mayors and organize a Mary River site visit	Community Mayors to send information; Baffinland to organize site visit	Ongoing
Follow up with questions from community representatives and pass along to Peregrine Diamonds and follow up with responses	EDT	Ongoing

2018 QSEMC Baffinland Action Items

1. Share data of Mary River employees moving into Iqaluit if available [Request made by Iqaluit representative]

Baffinland's response:

Baffinland collects employee/contractor migration data from two sources: Baffinland Community Liaison Officer (BCLO) Surveys and Workplace Surveys. Data from these two surveys may provide insights into potential in-migration trends to Iqaluit. However, Baffinland does not collect survey data on non-Inuit employees/contractors moving into Iqaluit from non-Local Study Area (LSA) communities (the LSA refers to the communities of Arctic Bay, Clyde River, Hall Beach, Igloolik, Pond Inlet, and Iqaluit).

- 2018 BCLO Survey
 - 3 Inuit employees/contractors out-migrated from North Baffin LSA communities. However, none of these individuals out-migrated to Iqaluit. 0 non-Inuit employees/contractors out-migrated from North Baffin LSA communities.
- 2018 Workplace Survey (71 Inuit employee/contractor respondents)
 - 7 individuals (9.9%) answered 'yes' to the question 'Have you moved to a different community in the past 12 months?'. However, 0 (0.0%) of these individuals had moved from a North Baffin LSA community to Iqaluit.
 - 12 individuals (16.9%) answered 'yes' to the question 'Do you intend to move to a different community in the next 12 months?'. 2 of these individuals indicated they intended to move from a North Baffin LSA community to Iqaluit and 1 individual indicated they intended to move from a North Baffin LSA community to Iqaluit or a non-Nunavut community.

2. Separate Iqaluit from the rest of the data results and look at a community-based approach for monitoring if that data is available so as not to skew the results due to Iqaluit's high population [Request made by Iqaluit representative]

Baffinland's response:

Baffinland separates Iqaluit data from other community (e.g. North Baffin LSA) data in its annual socio-economic monitoring reports, where appropriate. This is currently done in the following areas:

- Population estimates (government sourced data)
- Employee origin (Baffinland sourced data)
- Hours of Project labour performed (Baffinland sourced data)
- Employee payroll (Baffinland sourced data)
- Secondary school graduates (government sourced data)
- Number of NTI registered Inuit firms (NTI sourced data)
- Number of youth charged (government sourced data)
- Proportion of taxfilers with employment income (government sourced data)
- Median employment income (government sourced data)
- Percentage of population receiving social assistance (government sourced data)
- Number of impaired driving violations (government sourced data)

- Number of drug violations (government sourced data)
- Health centre visits related to infectious diseases (government sourced data)
- Crime rate/number of violations per 100,000 persons (government sourced data)
- Health centre visits, total number (government sourced data)
- Health centre visits, per capita (government sourced data)
- Project aircraft movements (Baffinland sourced data)

**3. Discuss and explore the option of turning the laptop program into a cell phone program
[Request made by Clyde River representative]**

Baffinland's response:

We thank the Mayor of Clyde River for his request that Baffinland look at changing its annual laptop program into a cell phone program. At this time, Baffinland will continue to provide laptops to new high school graduates. Baffinland believes that laptops are better suited for educational and employment-related purposes than other devices such as cell phones. However, should a graduating student have the need for an alternative device due to a special need, Baffinland will do its best to accommodate those requests.

4. Send information (dates, names, availability) of interested Mayors and organize a Mary River site visit [Baffinland commitment]

Baffinland's response:

Baffinland remains committed to hosting a Mary River Project site visit for interested regional Mayors. Baffinland is prepared to plan and host this visit once interest is confirmed and additional details are available. To make this visit possible, Baffinland encourages the Mayors to provide dates that may work for a group visit to the Mary River Project.

Meeting Notes
Mary River Socio-Economic Monitoring Working Group (SEMWG) Meeting
February 14, 2018 (2:00pm - 3:20pm)
By Teleconference

Attendees:

Baffinland Iron Mines Corporation (Baffinland):
Mary Hatherly (MH)
Andrew Moore (AM)
Alyssa Stewart (AS)
Jason Prno (consultant) (JP)

Government of Nunavut (GN):
Lou Kamermans (LK)
Chantelle Masson (CM)

Qikiqtani Inuit Association (QIA):
Allan McDougall (AMD)
Jason Ash (JA)- Joined call at 3pm

Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC):
David Abernathy (DA)
Julia Prokopick (JP-CIRNAC)

Other Information:

Mary Hatherly chaired the meeting. Alyssa Stewart took meeting notes.

Meeting Notes:

1. Project Update

MH- Noted there is not much to report on for an update on the Project except that there was a proposed amendment to the land use plan submitted to include rail. The public hearings in Pond Inlet have concluded and Baffinland is waiting for a decision from NPC. If the outcome is positive the next step is to proceed with the environmental review through NIRB and an EIS would be submitted likely in June.

DA- Asked if there have been guidelines prepared.

MH- Explained that guidelines had been done for 12MT to be transported by road and that the guidelines needed to be revised to include railway as a form of transportation.

DA- Asked if community concerns were going to be included in the guidelines.

MH- Indicated that Baffinland would continue to consult with the communities and the QIA moving forward through the EIA process.

2. Baffinland's Responses to NIRB recommendations on the Socio-Economic Monitoring Report

Jason Prno summarized Baffinland's draft responses and members of SEMWG provided feedback on the responses.

Recommendation #14 (in-migration and out-migration of Inuit and non-Inuit residents and effects on local housing opportunities; Inuit employee turnover rate)

JP- Baffinland feels they have responded to this in the past and that Baffinland already reports on migration patterns as well as Inuit turnover rates. Baffinland has made use of the information that is available to them from the GN in addition to other sources. Conclusion that Baffinland has addressed this recommendation.

LK- Advised group that NHC report related to suggested housing questions has been finalized and will be distributed to all mining companies in the coming weeks.

JP- Noted that any changes to the employee survey would not occur until next year's report.

AM- Asked how many questions are being put forward in the housing report.

LK- Explained there would be 15 but they are up for discussion.

JP- Noted that if anyone had additional questions on Baffinland's responses or would like to provide written comments or have one-on-one discussions that Baffinland would be open to that, but thought discussing during this working group would make things easier for everyone.

Recommendation #15 (monitoring of non-Inuit residents and contractor employees; information on Baffinland's Inuit employee payroll)

JP- Indicated that this recommendation had been addressed in last year's report, but that Baffinland was happy to discuss further if something has been missed. Also mentioned that employment data is provided in the reports Baffinland provides and that Baffinland feels this recommendation has been met.

MH- Added that Baffinland's quarterly IIBA reports also include this data and that the reports are shared with QIA.

Recommendation #24 (Project-related influences on housing and employee surveys to address indicators related to migration)

JP- Explained that surveys from the most recent employee survey have been collected and data is being compiled at this time. Mentioned that the GN's update on the housing report has been noted and appreciated.

LK- Agreed that the survey was applicable to the housing report and that a conversation with NHC would help. The 4 additional indicators being suggested in the final workshop report that is being released on Monday include: public housing waitlist numbers, overcrowding numbers, Nunavut Downpayment Assistance Program (NDAP's) numbers and public housing income levels.

DA- Wanted a clarification in regards to the survey and whether it was for all Inuit employees and would it be done annually.

JP- Explained that the survey has been a work in progress and captures data that we need. It was offered to Inuit employees and contractors. The survey was offered on site during approximately a 1.5 week period. We took a comprehensive approach to recruiting employees to fill out the survey. It was not conducted at the time of hire. The survey is updated every year based on feedback and data collected and Baffinland will continue to update survey each year.

DA- Mentioned that it was very encouraging to see how it was being conducted.

Recommendation #25 (negative changes or concerns reported in the community surveys and how Baffinland has addressed these)

JP- Noted that last year's report did not include the negative results but that this year's report will include both the positive and negative results. It was also noted the Phase 2 Proposal EIS would

discuss the survey results. Otherwise, Baffinland has responded appropriately to the recommendation.

DA- Agreed that it was an adequate response. Asked if there would be some financial management training/general training offered to assist employees on how to manage their income as well as on camp life.

MH- Explained the 12 week Work Ready program that will begin next week that is designed to help employees adapt to the fly-in fly-out work life as well that Baffinland will be partnering with QIA on their financial literacy program to offer it on site.

AM- Added that during on site orientation and employee reviews, management communicated with employees regarding stress both at work (camp life) and in their personal life.

DA- Noted that it was good to show active measures on what Baffinland is doing to help employees deal with mine site work.

LK- Asked if there was an intention to deliver this survey frequently or if it was a one-time thing.

MH- Community Survey in September 2016 was a one-time occurrence but there have been internal discussions about holding surveys on a more regular basis because a survey is a good indicator of opinions on the pros and cons in the communities regarding the mine.

Recommendation #26 (use of INPK Fund to provide additional supports to community daycares or child care services)

JP- Noted that the two funds listed (i.e. INPK Fund and Business Capacity and Start-Up Fund) are both administered by QIA.

MH- Explained that the response provided is accurate and that preliminary discussions were needed to discuss the development for a process for Baffinland to have a greater involvement in the types of projects that would be funded. Baffinland would like more communications and involvement in these as it could impact Inuit employment very positively.

AM- Noted that Baffinland works with QIA on the Joint Management Committee and there are discussions about it and that Baffinland provides funding but has no control over what is approved. Andrew asked if QIA had any feedback in regards to the funds.

AMD- Replied that there was none at this time

Recommendation #27 (measurement tool/indicator for food security; information on the impact of the Project on food security)

JP- Provided a summary of Baffinland's response and added that this year's report includes a table describing Baffinland's role in each of the four food security components identified by the Nunavut Food Security Coalition and Baffinland may continue to build on this table in future years.

Recommendation #28 (Project implications on existing health and social services, including strategies for tracking health and social service requests)

JP- Baffinland will continue to report on the data they are able to collect in addition to the data provided by the GN.

AM- Added that Baffinland remains in regular contact with the GN Department of Health in regards to the Project's impact on community health services as well as community lack of health services.

General Discussion on NIRB Recommendations

JP- Asked for feedback regarding this approach of going over each NIRB recommendation and Baffinland's proposed responses with the group.

LK- Expressed that he liked the format and how each response was written, agreed that it was good to talk about these before they are submitted to NIRB but also pointed out that these discussions

are still only half the story and that NIRB has to accept the recommendations. Also wanted to know if the group could see a draft copy of the report before it is submitted to NIRB.

MH- Baffinland thought that before the comments go to NIRB it would be positive to get everyone's thoughts on the recommendations and Baffinland's responses. We have not talked about sending the working group the draft report but logistically it would be a difficult exercise to issue a draft report and get everyone to submit comments before the deadline of March 31st.

JP- Noted that there would not be enough time to get the working group the draft report in good time before the NIRB deadline of March 31st as Baffinland has to wait to compile the previous quarter of data and then it has to go through internal review and then have changes made if needed, before a final draft can be issued for public consumption. Having a working group meeting immediately after the report is submitted would be key so we can deal with any issues in this forum instead of having to continue to submit all comments formally to NIRB.

LK- Our concern would be the timeline between when the report is submitted to NIRB and the date for when the comments have to be in by. If possible, the earliest Baffinland can share the report would be best.

MH- Asked what the timeline usually is.

LK- Responded with whatever NIRB gives as the timeline.

MH- Asked if the timelines were set by NIRB or if the dates were set firm in the Project Certificate, whether these were tight timelines or if it was possible to extend the submission for comments.

JP- Mentioned we will check to see if the Project Certificate includes a specific date and confirmed that the NIRB Annual Report is submitted on March 31st.

DA- Agreed that this approach of going through each recommendation and Baffinland's draft responses was good and it is a good reason for us to come together and communicate and is what this forum should be focusing on.

MH- Expressed that Baffinland agrees as well.

3. Plans for 2017 Socio-Economic Monitoring Report

Overview of Report:

JP- Gave brief overview of the report, that it would be very similar to the 2016 report and that the results are also similar. The Inuit employment predictions have not been met but Baffinland has an action plan in place that includes the new Inuit Human Resources Strategy, training programs and apprenticeship programs. Once everyone has had time to review the report it will be very beneficial to discuss and get everyone's feedback/recommendations.

Summary of Major Report Changes:

JP- There were no major report changes to note, but there is a new table being created in the report to make it clear on what is being changed. Baffinland's responses to the NIRB recommendations will also be shared.

Survey:

JP- Explained that the survey conducted on site was specific to IIBA requirements and Project Certificate conditions, to gain data primarily on Inuit and their views on the workplace.

Plans to integrate workshop report recommendations:

JP- Expressed that there are three new indicators/data types added to the monitoring program, waiting to see the final workshop report to determine if additional changes to the monitoring program will be made.

GN update to government sourced data:

LK- Announced that the final revised workshop report will be released Monday. Explained that there will be data gaps as some portions were left out; NBS did not provide all necessary data for the report. Expressed that the GN wants to ensure the information is useful to Baffinland and that it will help to align expectations. There will be up to 15 indicators that are being provided in the report that have reliable data.

MH + AM- Agree this sounds like a good approach.

4. Revised SEMWG Terms of Reference

Note: Jason Ash (JA) joined the meeting.

MH- We circulated Baffinland's draft revisions to the Terms of Reference, this document was based on Agnico Eagle's Socio-Economic Monitoring Working Group Terms of Reference and addressed Baffinland's responsibilities under the agreement. Proposed changes to the "Working Group Mandate"- Section 4.1 include that the working group act as a forum for addressing technical aspects of the program and that any issues with the program will be attempted to be resolved by the working group, having NIRB still function as the oversight body. Would like the working group to read and provide comments and questions on the NIRB report directly through this forum.

DA- Reviewed the draft terms of reference and overall it is good. Wanted to bring to attention Section 6.2 under "Meetings" and asked if it could be re-written as it is a bit confusing in regards to the schedule.

MH- Agreed to make it more clear and direct.

DA- Will continue to go through and provide comments.

LK- Agreed that it looked good from their end and that they passed the document along to their legal department for potential language changes.

JA- Asked for a brief summary on the main changes from the Agnico Terms of Reference document.

MH- The main point of this document was to streamline and emphasize functionality of the working group and to provide an initial forum to work out issues before they go to NIRB.

AM- Added that another addition was the involvement with QIA into the terms of reference as Agnico Eagle does not include their regional Inuit organization in their working group. Therefore, they are not included in the Terms of Reference.

JP- The main updates in the Terms of Reference were to refer to what the working group is currently doing and the potential of what it can get to.

LK- Agrees with the above summary.

JP- Asked LK if Agnico attached their monitoring plan to the Terms of Reference.

LK- Agnico did not attach it as an appendix, they shared it when they updated their monitoring program.

JP- We'll look at adding additional text to the TOR that references the monitoring plan that is included in the annual Socio-Economic Monitoring Report.

5. Next Steps

Timing of next SEMWG meeting and dates of QikSEMC meeting in Pangnirtung:

JP- Asked when the next meeting should be, asked when the Pangnirtung meeting was in June.

LK- Noted that the dates hadn't yet been confirmed but the initial dates proposed were June 5-6.

MH- Noted that those dates worked for Baffinland.

DA- Noted that those dates worked for INAC.

JP- Noted that those dates worked for him. Also noted that the report would be available March 31st and asked if the group wanted to have a call before the in-person meeting, depending on NIRB's commenting timeline.

-It was agreed that the group would leave this topic until they found out the timeline.

Preliminary items to add to next SEMWG agenda:

-Review and feedback on the final workshop report.

MH- Sign off on the Terms of Reference if not already done.

General comments:

DA- Happy with how the meeting went.

MH- Thanked everyone and noted she looked forward to seeing everyone's comments on the Terms of Reference.

Meeting adjourned at 3:20pm.

Meeting of the Mary River Socio-Economic Monitoring Working Group

Auyuittuq Lodge, Pangnirtung, Nunavut

June 19, 2018 (7:30pm)

Meeting Chair: Baffinland

Note Taker: Baffinland

Attendance:

Jason Prno, Consultant to Baffinland (JP)

Andrew Moore, Baffinland (AM)

Bethany Scott, QIA (BS)

Luc Brisebois, QIA (LB)

Rhoda Katsak, GN (RK)

Chantelle Masson, GN (CM)

Erika Zell, GN (EZ)

David Abernethy, CIRNAC (DA)

1. Project Update

- Phase 2 Proposal update provided by Andrew
- AM- Phase 2 NPC positive decision. Now getting into NIRB process. EIS development underway.
- RK- How long does this process take?
 - AM- Been working on this for some time internally.
 - JP- Process has been going on for sometime. Lots of internal work. NIRB has to lay out the process.
- DA- Saw NIRB letters, 2 processes. 6 million tonnes/year? And 12 million tonnes/year? Please explain.
 - AM- Yes 2 different applications. May hit 4.2 million tonnes/year during this shipping season. Need discussions with regulators QIA, to discuss next steps.
- LB- What can you currently ship?
 - AM- Truck and ship 4.2 million tonnes/year. Limited stockpile ability outside of Milne.
- JP- General discussion on planned upcoming IQ workshops and socio economic work related to Phase 2.
- BS- Can you describe the economic modelling work further?
 - JP- Input-output model was used. Report looks at everything from GDP, government and Inuit organization revenues, direct jobs, to spin off opportunities from Phase 2. Marcel LeBreton is doing this work; His company is called EcoTec Consultants.
- DA- Community workshops. Is this a continuation of past IQ work, or is it only for Phase 2?
 - JP- We look at it as a continuation of past work, which included several workshops and one-on-one interviews. More recently, workshops were held on Phase 2 and land use, caribou, and shipping-related topics. Winter shipping is now off the table.
- RK- When you talk about workshops...there are lots of meetings that go on. It's Phase 2, it's early revenue phase. How has it been with the general public? QIA is involved in this discussion. Are people confused?

- AM- Good questions. Baffinland is working with QIA to improve community consultation.
- LB- Talked about NPC process, went to Mary River, Phase 2 group formed in Pond Inlet to respond to NPC. QIA doing what it can to engage. Radio, etc...
- LB- Now it's a straight forward project. But changes exist.

2. **2017 Socio-Economic Monitoring Report**

- JP- General discussion about process, NIRB, commenting, data gaps exist. Some specific community level data is non-existent.
- LB- For data gaps you mentioned, is it not BIM's responsibility to get the data?
 - i. JP- BIM is not a statistics agency. We can report on what exists [in addition, BIM is often not the only 'responsible party' listed on the Project Certificate's Terms and Conditions related to socio-economic monitoring].
 - ii. JP- We rely on these QSEMC meetings and BIM's community engagement program to gather qualitative information on these topics instead.
 - iii. LB- Compared to the marine and environment monitoring groups, there seems to be less data presented by BIM on socio-economics. Can't these serve as a model example? Seems like more effort is needed from Baffinland.
 - iv. JP- You should read the annual report; there is a considerable amount of information included in it. In addition to government statistics, Baffinland collects (and reports on) a lot of its own information.
 - v. CM- Where gaps exist is related to self reported items. For example, gambling issues. How can we find data on this?
 - vi. General discussion on surveys and ability of surveys to answer these questions
 - vii. BS- QIA community based socio-economic work did ask gambling related questions. 280 households surveyed in Pond Inlet, Igloolik, and Cape Dorset. Will present on this at QSEMC. Work funded by CIRNAC. This will be a public report.
 - viii. AM- This is good. Need to talk about bridging the gap between other departments in QIA and Baffinland.
 - ix. CM- What was the response rate?
 - 1. BS- Goal was 90 households in each community. Total was 280 households.
 - x. AM- This is where we want to see this group moving to. Working together to discuss data gaps and ways to address them.
 - xi. JP- Responsibility for several PC conditions on socio-economic monitoring not all on Baffinland but also the QSEMC and other parties.
 - xii. DA- Is Baffinland working with other mining companies on data gaps
 - 1. AM- Yes, to extent possible. However, we all have to monitor different things in different ways.
 - 2. JP- All mining companies have different data gaps
- JP- This group should be where we have discussions about the NIRB annual report and where issues are resolved if possible.
- LB- What sort of process can we take to address comments from the SEMWG?
 - i. JP- Yes we can find new ways of doing this.
- RK- Only one apprentice in 2017

- i. AM- Bit of a misnomer as we now have trade assistants. We can make it clearer moving forward.
- DA- Should we be meeting 2 weeks before the NIRB deadline? To discuss comments?
 - i. JP- We are open to suggestions. We were a little concerned this year as we asked for comments from SEMWG members several times and didn't receive any.
 - ii. DA- NIRB comment period is over but we have the ability to continue to work on items.
 - iii. JP- Absolutely. Baffinland is happy to have that discussion.
- BS- Question on indicator 'number of youth charged'?
 - i. JP- Yes, it's actual numbers of youth charged; Statistics Canada data.
- LB- When did you reach out about comments?
 - i. JP – Several times. No comments were received from QIA.

3. Plans for 2018 Socio-Economic Monitoring Report

- JP- Always open for suggestions on how our monitoring program could be made better. We will also look at the GN's final socio-economic monitoring workshop report.
- JP- Another employee survey will be conducted. Expected to be very similar to the one included in this year's report.
- RK- Was mentioned by communities that they want to do their own monitoring
 - i. JP- This can have value. But from a monitoring perspective we need data to be regularly produced to allow for data comparison.
 - ii. RK- Communities confused about where to get money for this type of monitoring?
 - iii. BS- Part of the gap here is those sustained opportunities to get community monitoring going.
 - iv. LB- Community based monitoring and what it is sits with the QIA. In the major projects office.

4. Revised SEMWG Terms of Reference

- JP- Breakdown of changes. Changes were to really just update the mandate of this group and what it should do.
- CM- Trying to align with other regions and their TORs. Alignment between the projects.
- JP- We used the Agnico TOR as a base and made edits from there.
- DA- CIRNAC is good to go. Just a couple clarifications needed on the difference between 6.2 and 6.3
 - i. CM- Plan to get things formalized at the territorial level
- AM- Need to find out how we get this approved?
 - i. Baffinland to send out final version for email approval. 30-day approval period. Baffinland to send out on Friday.

5. Other Items

- Update on Territorial Monitoring Framework
 - i. CM- Work ongoing. Looking at getting everything finalized in October-November. Report produced will be both working group and community focused. Based on all 2017 monitoring reports and meetings.

- Timing of next SEMWG meeting
 - i. Could be by teleconference.
 - ii. JP- Worth having one before issuing the Project monitoring report?
 - iii. JP- We will issue report March 31.
 - iv. BS- Meeting in early February
 - v. JP- Next meeting we can plan to occur in February-March. And perhaps a meeting a month or so after the report is issued. Agreed?
 - vi. Agreed.
- Items for next meeting
 - i. Focused on plans for 2018 monitoring report
- LB- This whole meeting seems very fast. This was not like the marine and terrestrial monitoring groups. Seems short. We need to discuss making this meeting bigger.
- JP – This working group meeting also coincides with the much longer QSEMC meeting, where lengthy discussions and presentations of data take place.
- CM- Maybe we can schedule a meeting of this group after the QSEMC meeting next time.
- CM- Maybe we can have a meeting to plan what we want to achieve for an SEMC meeting?

Meeting Closed- 8:50pm.