

2010

Kivalliq SEMC Annual Report

8/31/2010

Table of Contents

| | |
|--|----|
| Letter from the Chairperson..... | 1 |
| Introduction to the Kivalliq SEMC | 2 |
| Outline of the Report | 2 |
| Highlights from Industry Reports | 3 |
| Meliadine Gold Project..... | 3 |
| Kiggavik Project..... | 4 |
| Meadowbank Gold Project..... | 5 |
| Workforce..... | 5 |
| Local Workforce..... | 7 |
| Income Distribution..... | 7 |
| Turnover | 8 |
| Training | 9 |
| Business Expenditures..... | 9 |
| Community Engagement | 10 |
| Highlights from Committee Discussions | 10 |
| Meliadine Gold Project..... | 10 |
| Kiggavik Project..... | 11 |
| Meadowbank Gold Project..... | 12 |
| Highlights from Additional Presentations | 13 |
| Kivalliq Mine Training Society | 13 |
| Department of Education | 14 |
| Committee Report on Selected Indicators..... | 16 |
| Looking forward | 17 |
| Appendix A: Meeting Agenda..... | 19 |

Letter from the Chairperson

The fourth meeting of the Kivalliq Socio-Economic Monitoring Committee was held on August 31, 2010 in Rankin Inlet. This was the first meeting since the Meadowbank Gold Project started producing gold. And the first since Agnico-Eagle Mines purchased the Meliadine gold properties. We also heard from the newly-formed Kivalliq Mine Training Society and the Department of Education, and received an update on the socio-economic indicators that we will monitor throughout the life of this committee.

The year-to-date results from the three mining projects were very encouraging. Collectively, they are directly employing about 300 Kivalliqmiut and are projecting greater numbers next year. The addition of the Kivalliq Mine Training Society, which has been modelled after the very successful NWT Mine Training Society, will improve our chances of improving participation in the resource developments on our land.

I am particularly impressed with the dialogue between Committee members. Discussions at this year's meeting were very constructive. An example of this is an agreement to work together to secure government support for strategic infrastructure in the region; namely, a deep sea port in Rankin Inlet.

We, as a region, will have some challenges, however. From the presentation on the performance of our children in school, it is clear that a division in our society is emerging. One group of children are graduating from school, enrolling in training programs and finding employment. The second group is dropping out and as a result have very few productive opportunities. This latter group is too large to ignore. And it is most disconcerting that we don't have a clear understanding of why our children are making these choices. It was thought that the growing economy would be the catalyst to encourage children to remain in school. This is something that the Committee will have to monitor closely in the coming years since it poses a threat to the Kivalliq region's participation in the resource sector and our long-term socio-economic growth.

As Chairperson of the Kivalliq SEMC, I have been impressed with the progress of our group and the interest shown by all to work together. I look forward to future work with Committee members to understand and report on socio-economic change and to shape the future growth and prosperity of Kivalliqmiut.

Sincerely,

Laura Mackenzie
Chairperson, Kivalliq SEMC

Introduction to the Kivalliq SEMC

The Kivalliq Socio–Economic Monitoring Committee (herein referred to as the “Kivalliq SEMC”) is made up of industry, government and community representatives. This Committee has a mandate to monitor and report on industry’s performance in hiring local labour, supporting local business, and otherwise contributing to the growth and development of Kivalliq society. It is also responsible for reporting changes in socio–economic conditions throughout the region.

Each representative has a reporting responsibility to the committee. Industry provides information on its development projects, including details regarding its past, present and future labour and capital needs and the overall contribution of Kivalliqmiut to its projects. Representatives of communities and regional organisations are responsible to provide information on socio–economic changes taking place throughout the region and to bring community concerns, issues and ideas related to the development projects to the table. Government is responsible for reporting regional impacts. It also acts as an intermediary between industry and communities and is in a position to respond to changes in the human environment through public policy and programming.

Outline of the Report

This is the fourth report produced by the Kivalliq SEMC. It provides an account of the presentations and discussions during the August 31st meeting held in Rankin Inlet.

Industry was represented by Agnico–Eagle Mines and AREVA Resources. They provided information regarding their projects and what Kivalliqmiut can expect from them over the next few years.

Six Kivalliq communities had representation at this session. Following the presentations from industry, each was given the opportunity to ask questions and provide insight from their communities’ perspective. This was followed by general discussion.

A presentation was given by the Kivalliq Mine Training Society. This is a newly–formed entity and the presentation focussed on the society’s purpose and planned activities.

The Government of Nunavut discussed some of the trends in education and provided a summary of socio–economic data for the Kivalliq region and Nunavut.

The report concludes with a look forward to next year’s activities and perspectives on the Kivalliq SEMC.

Highlights from Industry Reports

Meliadine Gold Project

Agnico-Eagles Mines (AEM) gave a presentation on its ongoing and planned activities at the Meliadine Gold Project located 25 kilometres north of Rankin Inlet. The property is divided into east and west segments with the majority of attention being given to the Tiriganiaq deposit situated in the Meliandine West property.

AEM purchased this property earlier in 2010 from Comaplex Minerals Corporation. At that time, the preceding exploration activities had established an indicated resource potential of 2.23 million ounces of gold held within approximately 11 million tonnes of ore.

These indicated resources must be converted to reserves in order to complete a bankable feasibility study. To accomplish this, the company has embarked on an aggressive exploration program to identify these reserves and is conducting an economic assessment of the property.

The current plan will have AEM begin the environmental assessment (EA) process later this year with the expectation that permitting will require three full years to complete. This would allow construction to begin as early as 2013. Operations would start two years later. This assumes that the exploration program is successful and that no major difficulties are encountered in the EA process.

The past summer's drill program saw an average of 30 staff employed on site, with a peak of 40 people. In addition to the exploration activities, AEM has invested in camp improvements, increased the on-site fuel capacity, and completed some ground work for a larger camp in 2011. The number of operating rigs will grow from three to six next year and the number of employees will rise to 100 or more. These additional rigs will be brought in on the 2010 sealift. The 2011 plan also includes a bulk sample to improve the metallurgical knowledge of the Tiriganiaq deposit.

AEM will soon have an office in Rankin Inlet and lease a house for staff associated with this Project.

Early estimates show the construction phase will employ an average workforce of 600 over the two-year period. Initial capital costs will be determined, but would be at least \$300 million and as much as \$800 million.

The mine will be an underground operation after an initial year of open pit mining. It will employ a staff of 250 to 450 people for a period of six to ten years. AEM is currently investigating how skills training in the Kivalliq region could be accelerated in order to maximize local employment.

The close proximity to Rankin Inlet will offer employees from that community the choice to work a daily shift. Transportation is dependent on weather, however, therefore

the camp will be large enough to accommodate everyone should the Rankin Inlet employees be unable to return home on any given day.

The close proximity to Rankin Inlet has other potential advantages. The mine would benefit from improved infrastructure in the community. Number one on the list is a deep sea port facility. The Meliadine Gold Project could not afford such an expense on its own, but there exists a possibility to work with the Kivalliq SEMC, Rankin Inlet and others to attract additional financial sponsors. AEM will also need a lay down area somewhere close to the port for its sealift cargo. The road that will be built, including a bridge across the Meliadine River, will provide community access to Meliadine Lake.

Kiggavik Project

AREVA Resources provided an update on its activities at the Kiggavik project. This is a uranium deposit located 80 kilometres west of Baker Lake.

The project is unchanged from what was presented to the Committee last year. Work has proceeded on schedule. This includes work on a feasibility study and the draft Environmental Impact Statement. Both will be completed in 2011. As part of its draft EIS, AREVA contracted a consulting firm to conduct comprehensive baseline and Inuit Qaujimajatuqangit studies of the region. These reports are nearing completion. An

additional two years has been scheduled to complete the EA process and make a final decision internally on the project's development.

The company's 2010 program included further exploration activities and work on resource delineation. The exploration camp had a workforce of 64 people, 25 of whom were Inuit. The average Inuit employment over the past four years has been 31. Inuit-owned and northern-based businesses having been awarded contracts valued at a combined \$8.7 million from 2007 to 2009.

AREVA Resources has also undertaken extensive community consultations. The company held seven public meetings in 2009 and will do the same in 2010. A blog was started earlier this year (www.kiggavik.ca) where anyone can receive information on the Project, the company and uranium in general. There is also a question and answer forum.

Assuming AREVA receives the necessary certificates, another year or two will be needed to complete the licensing process and ready the site for development. Construction could commence in 2015 or 2016 and will span four years, though mining could begin prior to the construction end date. Employment during that time could average as many as 600 people.

This schedule would have the mine fully operational and producing uranium by 2019 or 2020. Early projections suggest an

operations workforce of 460 people and a 20-year mine life.

AREVA Resources has maintained an office in Baker Lake since 2006, and has established a community liaison committee since that time. Updates are provided to communities, hunter/trapper organisations and schools on an ongoing basis.

AREVA Resources supports several non-profit organisations and community-based activities. Some highlights include the Repulse Bay Bowhead Whale Hunt, the Northern Youth Abroad program, and Hamlet celebrations in Baker Lake and Chesterfield Inlet.

Meadowbank Gold Project

Agnico-Eagle Mines' Meadowbank Gold Mine poured its first gold bar earlier this year and the mine was officially opened a few months later on June 18th. This is an open pit

operation located 70 kilometres north of Baker Lake. It is expected to have an average workforce of 476 people.

Construction activities are not quite finished, however. The final site development work should be finished later this year. In the meantime, construction crews have been working side-by-side with the operations staff.

The current mine plan assumes production will continue for ten years. In that time, the mine will produce 3.7 million ounces of gold from 32 million tonnes of ore. Exploration could reveal additional reserves that would extend the mine life.

Workforce

Until construction activities are completed, the Project will employ a large workforce. As of August, 1,435 people were working directly with the project. The division of labour can be seen in Table 1.

Table 1

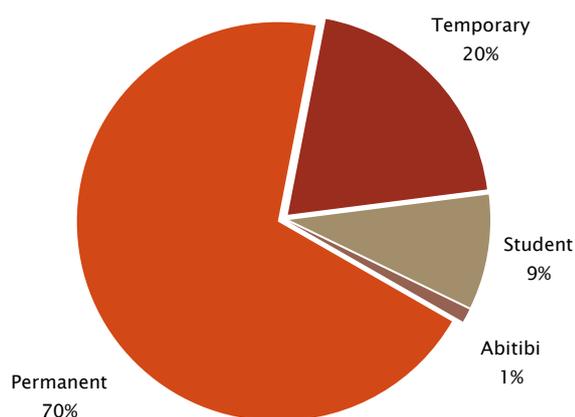
| August 5 th , 2010 Workforce | AEM Workforce | Contractor Workforce | Total |
|---|---------------|----------------------|--------------|
| Mine Operation | 144 | 118 | 262 |
| Process Plant Operation | 114 | 131 | 245 |
| Maintenance | 45 | 34 | 79 |
| Services | 330 | 119 | 449 |
| Dyke | 3 | 188 | 191 |
| Construction | 1 | 208 | 209 |
| Total | 637 | 798 | 1,435 |

Source: Agnico-Eagle Mines Ltd.

The workforce can be divided into a number of categories in order to better understand the current labour situation. AEM employs permanent, temporary and student labour (see Figure 1). Permanent staff are those whose jobs are tied to the mine’s production and should exist for the life of the mine. Temporary staff members are those working on the mine’s construction or who have otherwise been hired on a term position.

Figure 1

AEM Workforce



Source: Agnico–Eagle Mines Ltd.

AEM employees can be further disaggregated between Nunavummiut and southern-based workers. Nunavummiut employees hold 119 permanent positions and 113 temporary positions. There were also 9 Nunavummiut students working for AEM at the end of July (see Table 2).

Table 2

| AEM Workforce | Inuit | South | % Inuit |
|---------------|-------|-------|---------|
| Permanent | 119 | 325 | 27% |
| Temporary | 113 | 14 | 89% |
| Student | 9 | 50 | 15% |
| Abitibi | 0 | 7 | 0% |
| | 241 | 396 | 38% |

Source: Agnico–Eagle Mines Ltd.

Temporary jobs are associated with the construction phase. Thus all 798 contractor employees are considered temporary in addition to the 127 temporary AEM employees. The majority of those people working for contractors (94%) are from southern Canada. As of July, 2010, 48 Inuit held a temporary position with one of these companies.

These temporary jobs will disappear once all construction activities are completed. There is hiring going on at the same time, however. AEM is continuing to ramp up production staff. The company will add 65 people to its permanent staff list this year. Efforts to transition Nunavummiut currently employed in temporary positions to these new permanent positions is underway. Most of the new hires will work in the mine itself, in the process plant or in maintenance. Nevertheless, with construction winding down, the overall workforce will fall off over the next 12 months. By this time next year, the Project’s workforce will be less than half of what it was this past summer.

Local Workforce

AEM reports its local hiring by community (see Table 3). The majority of AEM's Nunavut-based staff resides in Baker Lake. A drop in the number of employees from Baker Lake from a peak of 170 to the current number (147) has allowed other Kivalliq communities an opportunity to increase their participation. The number of employees from Arviat and Rankin Inlet has grown to 42 and 33 respectively. Coral Harbour and Repulse Bay now have 7 members from each of their communities working for AEM. Chesterfield Inlet and Whale Cove have maintained their contributions with 4 and 1 employee respectively.

Table 3

| Inuit Workforce by Community | Number of Employees |
|------------------------------|---------------------|
| Arviat | 42 |
| Baker Lake | 147 |
| Chesterfield Inlet | 4 |
| Coral Harbour | 7 |
| Rankin Inlet | 33 |
| Repulse Bay | 7 |
| Whale Cove | 1 |

Notes: Data is as of September 2009.
Source: Agnico-Eagle Mines Ltd.

The local workforce currently forms a majority in semi-skilled and unskilled jobs at the mine site. Of the 241 Inuit staff members working for AEM, 124 are working in semi-skilled jobs such as equipment operators and camp staff, another 80 are working in unskilled

positions such as general labourers and helpers. There were 8 Inuit working in skilled positions and 29 in management. The majority of Nunavummiut management work in the lab or in security.

Table 4

| Inuit Workforce by Skill | Number of Employees |
|--------------------------|---------------------|
| Management | 29 |
| Skilled | 8 |
| Semi-skilled | 124 |
| Unskilled | 80 |

Notes: Data is as of September 2009.
Source: Agnico-Eagle Mines Ltd.

Income Distribution

The Kivalliq SEMC is also interested in the share of wealth captured by the local workforce through their participation in the Project. As shown earlier, most Inuit find themselves in unskilled and semi-skilled positions. These are good jobs and well paying jobs, but are typically lower paying than the skilled jobs which means they are capturing a smaller percentage of the overall labour income generated from the project.

AEM reports that the number of person days worked in 2010 as of August 5th totalled 59,386 days. The payroll for this level of effort equalled \$23.7 million (see Table 5). From this total, Nunavut-based employees worked 19,534 days equivalent to 33 per cent of the total. Their wages were a little less than \$6

Table 5

| 2009 AEM Employment and Payroll | Person Days | Person Days (%) | Payroll (\$) | Payroll (%) |
|---------------------------------|---------------|-----------------|---------------------|-------------|
| Nunavut-based Employees | 19,534 | 33 | \$5,997,595 | 25 |
| Non Nunavut-based Employees | 26,960 | 67 | \$17,744,029 | 75 |
| Total | 45,016 | 100 | \$23,741,624 | 100 |

Notes: Data is as of September 2009.

Source: Agnico-Eagle Mines Ltd.

million, or 25 per cent of the total wages. The discrepancy has narrowed over 2009 when Inuit captured only 24 per cent of the total wages from a level of effort equal to 40 per cent of the total.

Turnover

It was anticipated that the local workforce would go through a period of adjustment when taking full-time employment with the Project resulting in a high rate of turnover. The two-week on/two-week off rotation, the lack of work experience, and interest in pursuing traditional land-based activities were seen and the most common reasons for turnover.

With that said, Inuit performance as of August 5th, 2010 was much improved over last year. In this seven-month period, 206 Nunavut-based employees have been hired by AEM compared to the 157 hires over the first nine months of 2009. Meanwhile, terminations are down—88 thus far in the year, compared to 118 last year.

Most departures are the result of contracts ending, though some people

resign on their own. To date, only one Nunavut-based employee was dismissed because of poor attendance. Among the common reasons for voluntary resignations, departing employees have cited

- Gossiping (too hard to stand)
- Found job in town
- Problems at home, homesick and family wanting them home
- No babysitter
- Did not like the job or found it too hard
- Legal problems
- Returning to school, and
- Higher wages causing an increase in rent.

AEM is also working to move employees from temporary positions into permanent positions. This year, 52 Inuit have made this transition.

The average length of employment for local employees is now 194 days. Last year the average was 93 days.

Training

Nunavut-based employees have received 7,907 hours of training thus far in 2010. This is almost double that from last year, and is substantially higher than the training provided to non-Northern employees. Combined, AEM's investment in skills development totalled \$421,607 over the first seven months of 2010.

AEM is currently investigating the feasibility of purchasing a 5d simulator for its 785 and 777 haul trucks, loader and shovel modules. This would give potential operators a chance to handle and log hours on the equipment in the virtual world before moving to the real thing on site.

Included in the list of training activities are 13 staff members who completed Haul Truck upgrade training in Morrisburg, Ontario, which included a week of on-the-job training at the mine site. Every student who completed this program successfully were offered employment at Meadowbank. Another 9 individuals are a part of a Process Plant Training Program. Other programs offered include security, mine rescue, first aid, air traffic control, driving, confined space entry, WHIMIS, Cat D9 Dozer, fall protection, water truck, skid steer loader, kitchen, school bus and others.

As many as 4 apprenticeship programs are being developed in the maintenance department. AEM is developing a unique language training module through the Rosetta Stone language education software.

Business Expenditures

In the three-year period, from 2007 to 2010, AEM has invested \$969.9 million in its Meadowbank Gold Project (see Table 6). Businesses based in the north (Nunavut, NWT or Yukon) have captured \$442.8 million of this total, with Nunavut-based businesses accessing more than 50 per cent of it at \$237.4 million. Businesses registered with Nunavut Tunngavik Incorporated (NTI) as Inuit-owned have captured \$222.3 million of this total. Businesses located in Baker Lake have attracted \$62.8 million worth of these expenditures.

Table 6

| Business Expenditures | \$millions | % |
|-----------------------|----------------|-------------|
| Baker Lake | \$62.8 | 6.5% |
| NTI Registered | \$222.9 | 23% |
| Nunavut-based | \$237.4 | 24.5% |
| Northern | \$442.8 | 45.7% |
| Total | \$969.9 | 100% |

Notes: Total Expenditures from Q2-2007 to Q2-2010. Amounts are cumulative.

Source: Agnico-Eagle Mines Ltd.

The largest Nunavut-based suppliers, including those registered with NTI as

Inuit-owned firms and those located in Baker Lake include:

- NSSI–Arctic Cooperatives
- Nuna M&T Services
- Toromount Arctic
- BLCS
- Arctic Fuel
- Peter’s Expediting & BBE–Nunasi Corporation
- Qamanittuaq Sana
- QAAQTUQ Dyno Nobel Inc.

Community Engagement

AEM participates in numerous activities throughout the Kivalliq. A list of projects and sponsored events is provided in Table 7.

AEM has also sponsored the construction of a sports field in Baker Lake. It will be outfitted to handle baseball and soccer. This particular project was completed in the fall of 2010.

AEM has created a Community Liaison Committee. It is made up of representatives from the mine, including the Mine Manager, Superintendents, the community liaison officer and IIBA coordinator. Communities are represented by the Hunters and Trappers Organizations, Qilautimiut, Arctic College, Education, the Hamlets, and Youth. The committee meets every month or two to discuss the mine, training, and business opportunities.

Table 7

Community Engagement, Projects, and Sponsorships

- John Arnalukjuak High School CAD Design Program
- Kivalliq Science Educators
- Chesterfield Boy’s basketball
- Baker Lake hospice society
- Rankin Inlet Avataq Cup
- Arctic Youth Leadership Expedition for 2010
- Summer Festival Rankin Inlet
- GEMS Program
- Kivalliq Science Camp
- Summer Student Employment Program
- Cross–Cultural Training
- Young entrepreneur program in Val d’Or
- Site Tours for Baker Lake Residents

Source: Agnico–Eagle Mines Ltd.

Highlights from Committee Discussions

The mayors from six of the seven Kivalliq communities were present at the 2010 SEMC meeting. They had an opportunity to lead the group’s discussions following each presentation. Summaries of these discussions are presented in this section.

Meliadine Gold Project

This was the first SEMC meeting since Agnico–Eagle Mines purchased the Meliadine properties. Committee members were interested in what AEM is

planning for the site. Of particular interest was the project's proximity to Rankin Inlet. It is likely that some of the Rankin Inlet residents who are working at Meadowbank will want to transfer to Meliadine to take advantage of the daily rotation. AEM agreed and confirmed that transfers would be possible and perhaps even encouraged in order that the Meliadine site have experienced Inuit staff right from day one.

There were questions regarding potential impact and benefit agreements for local Inuit. Negotiations have not yet started, but AEM suggested this could happen soon. It is the company's preference that negotiations be well underway prior to construction of the all-weather road and bridge over the Meliadine River.

Further details on the road construction, maintenance and ownership were requested. The road will be built and maintained by AEM for the life of the Project, though the company stressed that it would be a public road. Before the mine is fully decommissioned, AEM will investigate whether government or local parties would be interested in taking over the responsibility for the road. Should no one come forward, AEM will conduct a full reclamation of the infrastructure.

Further details on the mine and its future labour requirement were provided.

Meliadine will be an underground operation after an initial year of open pit mining, but by-in-large, the labour needs will be the same as the Meadowbank Gold Mine. Certainly anyone working in the mill, in camp services, maintenance, or security would have the same job description at either site. The mining staff would be slightly different, with underground miners such as stopers, scoop operators, and raise miners replacing haul truck and shovel operators.

There were additional discussions regarding the need for improved port facilities in Rankin Inlet. AEM would be well served by a deep sea port but cannot afford the entire capital cost based on the 6 to 10 years of production expected from the Meliadine Gold Project. The Kivalliq region would also be better served by improvements in its port facilities. The Kivalliq SEMC members agreed as a group that they should work together to develop a strategy that they could then take forward to the federal government. This will be discussed over the following months and perhaps developed in full at the next Committee meeting.

Kiggavik Project

The presentation from AREVA Resources on its Kivalliq Project showed that little has changed since last year in terms of

the company's schedule. The discussion following the presentation dealt with three issues.

The first was related to the need for further communication efforts on the part of AREVA Resources to educate community members on the Project. It was felt that opposition to the project is the result of persistent fears related to radiation and the end use of uranium. The company visits each Kivalliq community at least once a year to discuss the project and answer questions. Still, members from the committee thought more could be done. One suggestion was to invite members of the Kivalliq Hunters and Trappers Organisations to northern Saskatchewan to see an operating uranium mine. AREVA Resources has done this once before, but there could be something gained from another tour. Also, Aboriginal groups in Saskatchewan have developed successful businesses as a result of the uranium industry. Inviting some of them to the Kivalliq region to share experiences might also prove useful.

The second topic was related to the Project's infrastructure requirements. The use of community airstrips by mining companies creates small business opportunities however AEM has found some opposition to this practice because of the disturbance it creates when

southern crews descend on a community. AREVA Resources plans to build and maintain its own airstrip.

The future road from Baker Lake to the Kiggavik site was discussed. AREVA Resources asked the local population to weigh in on the three road options it had proposed. The North Route received over 80 per cent support. This will be a winter road initially, and converted to an all-season road once mining starts. Access will be controlled and it could be closed at times to limit impacts on migrating caribou.

There are still some outstanding issues though. The road will cross the Thelon River. The options for this crossing are an ice bridge in the winter and cable ferry in the summer or a permanent all-weather bridge. There are some concerns over low water levels and how that might impact the ferry option. This will be investigated further in the coming year.

Meadowbank Gold Project

There were several topics discussed following AEM's presentation on its Meadowbank Gold Project.

One of those topics related to life at the mine and the concerns of Inuit labour, particularly as it relates to culture. AEM has hired Inuit as part of its Human Resources team in an effort to improve communications and increase the

understanding of the different cultures on site. Cross-cultural training is mandatory for all employees. AEM pointed out that it has hired people from all across Canada, all of whom have their own culture and language. For that reason, the company prefers to think of the Meadowbank Gold Mine as having its own culture and is working to create a friendlier, more family-like environment at its camp. This will be easier to accomplish once the large construction crew is no longer on site.

As mentioned in their presentation, AEM is also working on some innovative language programming that will be available to the entire workforce in the coming months. This program was discussed in some detail. AEM hinted that a demonstration may be possible at next year's Committee meeting.

Committee members were interested in the social impacts of the employees and their families. But many of these questions were difficult for AEM to answer since they deal with personal information. Unfortunately, the current effort to collect socio-economic data through official government surveys in the Kivalliq communities is probably not adequate for a thorough understanding of the social changes taking place.

There was some discussion on getting more Nunavummiut participating in the mine's workforce. AEM has been challenged to find additional Inuit Labour. The Kivalliq Inuit Association was to develop an Inuit labour database as a part of its Impact and Benefit Agreement. This database has never been populated. This led to some discussion about reviving the Nunavut Community Skills Information System database that was developed by the GN a few years ago but never used. Not enough is known about the state of this product to make any definitive decision on how it might be used.

Highlights from Additional Presentations

Kivalliq Mine Training Society

A Mine Training Society has been established in the Kivalliq in direct response to the growing demand for skilled labour in the region's resource sector.

Its goal is to deliver a comprehensive Training-to-Employment Plan to prepare Land Claim Beneficiaries who are residents of Nunavut's Kivalliq region for guaranteed employment opportunities in the mining sector and spin-off economic activity.

The organization will have two dedicated staff members who will be tasked with the coordination of several partners that form the Society.

- Aboriginal Skills and Employment Program (Government of Canada)
- Agnico–Eagle Mines
- Kivalliq Inuit Association
- Economic Development and Transportation (Government of Nunavut)
- Kivalliq Partners in Development
- Nunavut Arctic College

The primary government sponsor is the Aboriginal Skills and Employment Program offered by Human Resources and Skills Development Canada (HRSDC). The program requires that its funding be backed by an industry sponsor that guarantees support for successful training participants. At the moment, AEM is the only developer in the region in a position to offer that guarantee.

HRSDC has provided funding through to March, 2012. In that time, the Society has targets that must be met in order to qualify for future support.

- at least 600 individuals will be assessed for participation in the its activities;
- at least 300 individuals will participate in the its activities;

- at least 150 of these individuals or ‘clients’ of the program will be returned to employment (including self–employment) elsewhere after being referred to the activities; and,
- at least 150 clients will successfully complete their action plan.

With these targets, it is imperative that the organization become active immediately. To that end, the new executive director plans to visit each Kivalliq community to inform residents of the new organization and begin recruitment of potential candidates for training. The Society is also actively seeking 18 people to complete a 6 week mine training course at Morrisberg, Ontario that will include a week at Meadowbank with a guarantee from AEM that any student completing the course will be offered a job.

Department of Education

The Government of Nunavut’s Department of Education gave a presentation on some education–related data for the Kivalliq communities.

Table 8 on the following page contains the number of graduates from the three largest communities in the Kivalliq region. The trend is positive, though this is in part because of the number of children enrolled in school is also increasing.

If we look at the attendance rates for children in Grades K to 6 versus those in 7 to 12, there is a clear indication of the drop-out rate (see Table 9 and Table 10). It is particularly disconcerting to see the attendance rate for the older students is getting worse.

Also discussed was the projected number of students enrolling in post secondary education. In 2010, there were 164 Kivalliqmiut enrolled in some form of

post-secondary education. The numbers are expected to double from the period 2007-08 to 2013-14. This has budgetary implications for the government, but also shows that in time, the capacity of the Kivalliq labour force should be improving. It also highlights the growing divergence in Kivalliq communities between those graduating high school and going onto post-secondary education and those dropping out before they graduate.

Table 8**Graduates by Home Community**

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------|------|------|------|------|------|------|------|------|------|
| Arviat | 10 | 11 | 6 | 21 | 12 | 9 | 11 | 17 | 17 |
| Baker Lake | 4 | 3 | 0 | 3 | 2 | 16 | 9 | 7 | 10 |
| Rankin Inlet | 13 | 16 | 17 | 11 | 17 | 21 | 23 | 19 | 32 |

Source: Department of Education

Table 9**Attendance Rate for K-6**

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Arviat | 77.6% | 77% | 76.9% | 71.6% | 70.8% | 82.6% | 79.8% | 75.4% |
| Baker Lake | | 85% | 78% | 84.1% | 84.4% | 82.6% | 77.2% | 84.8% |
| Rankin Inlet | 86.5% | 86.5% | 84.1% | 83.1% | 85.1% | 91.6% | 90.1% | 91.6% |

Source: Department of Education

Table 10**Attendance Rate for 7-12**

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Arviat | 63% | 67.2% | 65.4% | 65.1% | 61.4% | 77.4% | 52.2% | 52.3% |
| Baker Lake | 63.1% | 64.5% | 65.5% | 69.4% | 71.9% | 68.9% | 64% | 61.4% |
| Rankin Inlet | 79.1% | 81.6% | 81.2% | 81.0% | 79.4% | 83.2% | 78.6% | 73.4% |

Source: Department of Education

The Department of Education also manages the income support program in Nunavut. Again, looking at the three communities of Arviat, Baker Lake and Rankin Inlet, we see that other than in Baker Lake, the number of families receiving income support is rising. In fact, the numbers have almost doubled since 2001 in Arviat and Rankin Inlet. This is perhaps a direct result of the students dropping-out, but more work is necessary to better understand these linkages.

Committee Report on Selected Indicators

The Government of Nunavut's Department of Economic Development and Transportation gave a presentation on some of the selected socio-economic indicators chosen by the committee during its initial meeting.

Limitations in Nunavut's statistics will mean new information will not always be available on an annual basis for the Committee. For example, new information on personal income levels was not available for the August meeting.

Some of the new data are highlighted.

It was shown that the number of social assistance recipients has been growing over the period from 2006 to 2008. Results from the most recent year are

shown in Table 11. In fact, the number and percentage of recipients has increased in every community except Baker Lake. This is a curious result, and should be watched carefully. One would expect that the 2010 data will show more broad-based improvements in this area.

Table 11

| Social Assistance Recipients | % of Population |
|------------------------------|-----------------|
| Arviat | 49% |
| Baker Lake | 44% |
| Chesterfield Inlet | 38% |
| Coral Harbour | 68% |
| Rankin Inlet | 36% |
| Repulse Bay | 80% |
| Whale Cove | 54% |
| Total Kivalliq: | 48% |

Source: Department of Education.

Details on health were presented. Table 12 shows the annual number of visits to health care centres. There have been noticeable declines in Arviat, Baker Lake, and Chesterfield Inlet. The other communities have seen increases or have remained at a relatively stable level.

Crime statistics are important for the SEMC members to follow. They are interested to see whether the rising wealth and changing economic conditions are affecting safety and security in their communities.

Over the entire Kivalliq region, crime rates have remained fairly even. They aren't improving, but they are not getting worse either. At the community level,

there is greater variability, but it would be difficult to conclude that there is a clear increase in the rate of crime. Its peak over the past ten years was in 2004.

Other socio-economic indicators were discussed such as the region's fur harvest and the expenditures on equipment such as boats and snowmachines.

Table 12

| Health Centre Visits | 2005 | 2006 | 2007 | 2008 |
|----------------------|--------|--------|--------|--------|
| Arviat | 14,478 | 10,842 | 12,361 | 10,512 |
| Baker Lake | 11,670 | 12,697 | 11,728 | 9,782 |
| Chesterfield Inlet | 4,383 | 4,003 | 3,365 | 3,550 |
| Coral Harbour | 6,255 | 6,568 | 7,178 | 6,965 |
| Rankin Inlet | 12,403 | 14,673 | 14,453 | 13,958 |
| Repulse Bay | 7,455 | 8,317 | 8,139 | 6,082 |

Source: Department of Health.

Table 13

| Number of all police-reported actual incidents per 1,000 persons | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|------|------|------|------|------|------|------|------|------|
| Nunavut | 224 | 272 | 311 | 367 | 385 | 366 | 331 | 320 | 368 |
| Kivalliq Region | 143 | 198 | 179 | 206 | 254 | 208 | 186 | 198 | 204 |
| Arviat | 122 | 156 | 112 | 101 | 127 | 191 | 185 | 150 | 136 |
| Baker Lake | 162 | 129 | 179 | 244 | 203 | 154 | 175 | 165 | 154 |
| Chesterfield Inlet | ... | ... | ... | 95 | 106 | 119 | 144 | 165 | 146 |
| Coral Harbour | 93 | 112 | 176 | 155 | 286 | 155 | 76 | 137 | 137 |
| Rankin Inlet | 245 | 424 | 299 | 329 | 468 | 354 | 290 | 341 | 347 |
| Repulse Bay | ... | ... | 154 | 182 | 100 | 52 | 42 | 100 | 146 |
| Whale Cove | ... | ... | ... | 67 | 194 | 121 | 131 | 54 | 211 |

Source: Canadian Centre for Justice Statistics

There was interest from the committee on how liquor consumption is changing, and whether it is possible to see an impact on crime as a result. It was suggested that these topics could be discussed in greater detail at the next meeting.

It was also suggested that the local HTOs may be able to provide some insight into harvesting activities and time spent on the land. These would be interesting statistics to monitor, especially if a

comparison could be made between those employed in the resource sector versus those that are otherwise not engaged in the wage economy.

Looking forward

The Kivalliq SEMC brings industry, communities and government together. Its purpose is the monitoring of economic, social and cultural changes during a time of large-scale, resource-

based development. Together, the committee will discuss issues, share information and recommend actions to improve performance of the region.

It is a relatively new approach to governance, but it is one that has the potential of achieving a level of success that the three groups could not achieve by working on their own. As the Committee grows, it will improve its understanding of the changing social and economic conditions in the Kivalliq, and how society can interact with industry in way that maximizes the benefits for all.

The Kivalliq SEMC will meet again in the spring of 2011. Agnico-Eagle Mines has invited the Committee to its Meadowbank Gold Mine for that meeting.

Appendix A: Meeting Agenda

Location: Siniktarvik Hotel Rankin Inlet, Nunavut
Dates: August 31, 2010
Start time: 9:00 am
Chairperson: Laura MacKenzie – Director, Community Operations
Department of Economic Development & Transportation
Kivalliq Regional Office
Meeting facilitator: Graeme Clinton, Impact Economics

1. Opening remarks/Prayer and review of agenda addition or deletions
2. Introduction of participants each and their objective/perceived outcome
3. Meeting overview –Consultant/Chairperson
4. Presentations by major development project proponents, each followed by question and answer session
 - Project Update—Meliadine Gold Project
 - Project Update—Kiggavik Uranium Project
 - Project Update—Meadowbank Gold Mine
5. Kivalliq Mine Training Society roles and responsibilities
6. GN Department of Education presentation
7. GN Department of Economic Development and Transportation presentation on Key Indicators
8. Discussion of findings, identified trends and perceptions of resource development projects
9. Issues that require follow-up
10. Next meeting – date and location