

October 7, 2011

VIA EMAIL

Chuck Hubert
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Mackenzie Valley Review Board
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Dear Mr. Hubert,

Re: EA 0809-004, NICO Project, Fortune Minerals Limited – Information Requests

Please find attached the Government of the Northwest Territories (GNWT) Information Requests for the NICO Project.

Please contact Loretta Ransom at Loretta_ransom@gov.nt.ca or (867) 920-6593 with any questions regarding the attached submission.

Sincerely,



Environmental Assessment Analyst
Environmental Assessment and Monitoring
Environment and Natural Resources, GNWT
Phone #: 867-920-6593

IR Number: GNWT 1
Source: Government of the Northwest Territories
To: Fortune Minerals Limited
Subject: Socio-economic impact mitigation – Training commitments
DAR Section: Table 16.2-4; 16.2.4.2.5; 16.2.13.1.1; 16.2.13.1.2
Terms of Reference Section: Appendix K2:4

Preamble:

Fortune notes that a financial management workshop for workers and their families as well as workshops on alcohol and substance abuse, and family adaptation and coping mechanisms are part of the committed mitigation measures (Table 16.2-4). There is also a commitment for workplace orientation sessions to be held in the community for new workforce entrants (16.2.4.2.5). These mitigation measures are in place to address potential increased demand for public services and to prepare for pre-employment training.

To properly assess the potential effectiveness of such mitigation measures, clarification is required.

Request:

1. Please describe how the financial management, alcohol and substance abuse, family adaptation and coping mechanisms workshops will be implemented? For example, how often will they be made available to each employee and what are the resources (resource materials, counseling, etc.) available outside of scheduled workshops if needed by employees?
2. In which communities will the workplace orientation sessions be held?
3. Will the workplace orientations be made available only to new workforce entrants (i.e. for those whose first job is the mine) or to each new employee to the mine?
4. Will such training be extended to contractors' employees?
5. Will such training be available for the life of the mine?

IR Number: GNWT 2
Source: Government of the Northwest Territories
To: Fortune Minerals Limited
Subject: Training
DAR Section: Table 16.2-4; 16.2.4.2.5, 16.2.11.2.4; 16.2.13.1.4
Terms of Reference Section: Appendix K1, K3

Preamble:

Fortune addresses some aspects of training for its employees in several sections of the DAR. In order to assess the effectiveness of training on northerners from the potential development, the additional information is required.

Request:

1. Fortune is requested to confirm/describe which of the following approaches will be developed to help retain and support Northwest Territories' (NWT) residents before, during and after the project life:
 - a) Supervisor and mentor training;
 - b) On-the-job training and advancement opportunities for all employees;
 - c) Participation in apprenticeship and trades training and ensuring the necessary work hours for employees to achieve trade and/or occupation certification;
 - d) On site apprenticeship and trades training opportunities including a salary and time off while away taking technical training;
 - e) On-site literacy, financial management, WHMIS and SHE (safety, health and environment training) training programs, health and wellness;
 - f) Training programs schedule, including literacy, so potential employees will be ready and prepared to take advantage of immediate employment opportunities;
 - g) Training for new employees;
 - h) Professional development opportunities for all employees to facilitate career advancement;
 - i) Programs and initiatives that address barriers to hiring and retaining employees including Local Study Area residents, women in non-traditional jobs, and/or single parents that support their participation in the workforce;
 - j) Cultural awareness and diversity training to recognize, respect and support cultural differences;
 - k) Approach to addressing limited training capacity in the communities and access to training;
 - l) Ability to meet NWT hiring goals based on LSA/NWT communities' employment pool and degree of workplace readiness;
 - m) Training, recruitment and retention approaches/incentives;
 - n) Identification of potential training and development partners.

IR Number: GNWT 3
Source: Government of the Northwest Territories
To: Fortune Minerals Limited
Subject: Employment - Definitions
DAR Section: 3.13.4; 16.2.13.1.5; 2.2
Terms of Reference Section: Appendix K1

Preamble:

When staffing the mine, Fortune discussed in the DAR its intended hiring efforts, where hiring preference will be given to several groups of people in order of priority. It is important to be clear how each group of people is defined, to better understand Fortune's hiring efforts.

Fortune has expressed a goal of hiring 50-60% regional (NWT) and 30-50% Aboriginal employees. To better understand the potential benefits related to employment at the project, it is important to know how many jobs associated with the mine will be within and outside the territory.

Request:

1. Please define and/or qualify the following:
 - a. Regional
 - b. Hiring preference/priority
 - c. Tlicho citizen
 - d. NWT First Nations
 - e. NWT resident
 - f. Canadian resident
 - g. Aboriginal
 - h. Aboriginal Community
2. Please provide information on how many and what types of jobs associated with the mine are anticipated to be located outside of the Northwest Territories (NWT) during each phase of the project.

IR Number: GNWT 4
Source: Government of the Northwest Territories
To: Fortune Minerals Limited
Subject: Employment - Calculations
DAR Section: 16.2.4.2.1; 16.2.11.2.1; Table 16.2-5; Appendix 16.1: 2
Terms of Reference Section: Appendix K1

Preamble:

It is discussed and sometimes implied in the DAR that calculations of full-time equivalent (FTE) jobs do not include those indirectly related through processing mined materials out of territory.

Further, there are two methods used in the DAR to report expected employment through the development. The first method involves a full time equivalency where one person working full time for a year is counted as 1 FTE. The other method involves person years where quarterly man hours are divided by 2000 to convert to person years.

When conducting an analysis of the DAR, it is important for reported data to remain consistent so a clear picture of the potential development can be drawn. In order to do so, some clarification is required.

Request:

1. Please confirm whether the calculations for employment (such as that in Table 16.2-5) include indirect jobs created from processing of mined material out-of territory.
2. Please confirm which method of calculating employment (FTE or person years) will be used when publicly reporting data annually if the development is approved.
3. Please describe the differences (both quantitative and qualitative) of each method so that we can better evaluate the data provided in the DAR.
4. Please also confirm whether the hiring goals described by Fortune (50-60% regional (NWT) and 30-50% Aboriginal) are calculated from annual FTE or person year estimates.

IR Number: GNWT 5
Source: Government of the Northwest Territories
To: Fortune Minerals Limited
Subject: Public Reporting
DAR Section: 1.1.4.3 (4); 16.2.13.1.5
Terms of Reference Section: Appendix K5:3

Preamble:

Though there was some discussion in the DAR about monitoring the human environment (Section 16), it is important to understand how key information will be gathered and reported to the public.

Request:

1. Please confirm whether Fortune will collect and publicly report annually on:
 - a. hiring by hiring priority and job category in total numbers and percentage of total hires;
 - b. hiring by Northwest Territories community in total numbers and percentage of total hires;
 - c. total employment in person years by hiring priority and job category in total numbers and percentage of the workforce;
 - d. total employment in person years by Northwest Territories community in total numbers and percentage of the workforce;
 - e. total number of NWT resident employees who resigned or who were laid off, fired or otherwise terminated in the previous year;
 - f. participation in and results of training activities
 - g. report on the gross value of goods and services purchased during the calendar year by major category of purchase in relation to each phase of the project. ('Purchases' based on the gross value of all purchases of goods and services including both goods and services produced in the Northwest Territories and goods and services produced outside the Northwest Territories that are purchased through NWT Businesses); and
 - h. a business forecast and assessment for the upcoming year
2. What steps will Fortune take to ensure it can collect, evaluate and report information annually?

IR Number: GNWT 6

Source: Government of the Northwest Territories

To: Fortune Minerals Limited

Subject: Employment Policies and Mitigation - Aboriginal and Other Northern Women

DAR Section: 16.2.4.2.3; 16.2.4.2.4; 16.2.7.2.6

Terms of Reference Section: Appendix K1:5; Appendix K3:1

Preamble:

The TOR requires Fortune to outline its employment policies for Aboriginal and other northern women. Though the DAR references an existing policy that is has in place, it does not describe the policy in detail nor does it describe its potential effectiveness (16.2.4.2.4).

Fortune outlines several known mitigation and benefit enhancement strategies that will be implemented to reduce effects of limited access to childcare. Some clarification is required to assess the effectiveness of these measures (16.2.7.2.6).

Request:

1. Please describe the anti-harassment policy and procedures currently in place and how they will be communicated and enforced on site to employees.
2. Should the development be approved and shorter shifts not be made available for whatever reason, how would this affect women's (including single parent's) ability to participate in the workforce?
3. Please describe the strategy that Fortune will develop directed at women to create more opportunities or remove barriers to working on site (as proposed in section 16.2.4.2.3 and 16.2.7.2.6 of the DAR).
4. Please describe the professional development opportunities for women to facilitate advancement in non-traditional occupations and career development and advancement in other positions.

IR Number: GNWT 7
Source: Government of the Northwest Territories
To: Fortune Minerals Limited
Subject: Employment Mitigation - Transportation
DAR Section: 2.3.2; 3.1.1; 16.2.4.2.3; 16.2.13.1.2; DAR Update Letter (Sept. 30, 11)
Terms of Reference Section: Appendix K1; Appendix K3

Preamble:

Section 16.2.4.2.3 in the DAR outlines several mitigation measures for employment and contracting. One of these measures describes free scheduled round-trip, work-related transportation from some Local Study Area communities (Yellowknife, Behchokö, Whatì, Gamètì and Wekweètì). Though most communities and the respective form of transportation are discussed (fly-in for Wekweètì or bus service from Behchokö, Whatì and Gamètì), it remains unclear how residents of Yellowknife employed at the mine will get to/from work.

The developer has an expressed goal of hiring 50-60% regional (NWT) employees. In order to meet this goal it is likely the developer will need to look outside the Local Study Area, especially given reported employment figures from existing NWT developments such as the diamond mines. There is no discussion on what transportation methods will be provided by the developer from other communities in the NWT.

With the above in mind as well as the most recent announcement by the developer to not build an airstrip on site, additional clarification is needed.

Request:

1. Given the stated intention to transport employees from Wekweètì by air to the mine site (DAR section 16.2.4.2.3) and the recent decision to not build an airstrip on site, please describe how employees from Wekweètì will be transported to the mine site?
2. Please describe the method of transportation intended for residents of Yellowknife working at the mine-site.
3. Given their proximity and accessibility by road, will Fortune provide free scheduled round-trip work-related transportation to other NWT communities (including but not limited to: N'dilo, Dettah, Fort Providence, Hay River)?
4. Will Fortune draw from available labour pools in any other communities within the NWT? What form of transportation will be provided for potential employees in other NWT communities?
5. Will Fortune provide round-trip mileage and parking for employees wanting to access bus service to the mine site and who live in road accessible communities in the NWT (Fort Simpson, Jean Marie River, Kakisa, Enterprise, Hay River, Fort Resolution, Fort Smith and Fort Providence)?

IR Number: GNWT 8
Source: Government of the Northwest Territories
To: Fortune Minerals Limited
Subject: Socio-economic impact mitigation – Shift rotations
DAR Section: Table 16.2-4; 16.2.4.2.1; 16.2.7.2.6
Terms of Reference Appendix K1, 4, 5;

Section:

Preamble:

In the DAR (16.2.4.2.1), Fortune identifies a potential for shorter shift rotations for Tłıchʔ residents due to their proximity to the worksite. Clarification is needed.

Request:

1. Please provide a definition or qualification of a Tłıchʔ resident.
2. Please provide details on the potential shorter shift rotations including length, and an assessment of the negative and/or positive effects to the employee and company.
3. Will the potential shorter shift rotations be made available to Tłıchʔ residents exclusively or to all employees, non- Tłıchʔ residents included, within a certain distance of the mine?

IR Number: GNWT 9
Source: Government of the Northwest Territories
To: Fortune Minerals Limited
Subject: Human Resources and Procurement
DAR Section: 16.2.4.2.2; 16.2.4.2.3; 16.2.4.2.6
Terms of Reference Section: 3.4; Appendix K8

Preamble:

Local procurement and human resource teams are essential to optimizing opportunities for local businesses and workforces. When procurement practices are not focused on regional sources, expected development in local business sectors may not materialize.

Fortune discusses its intention of having a sub-office in Behchokö for some human resources services (namely Tłı̨chǫ recruitment) but does not go into detail on the location of a main office for procurement and other human resources services. In order to ensure NWT businesses and residents have full and fair access to business and employment opportunities associated with this potential development, there is a need for more discussion on these issues.

Fortune briefly addresses its commitments and mitigation measures for contractor strategies (16.2.4.2.6), but more information is needed to adequately assess the economic impacts of procurement from the development.

Request:

1. Will Fortune have a local procurement and human resources office located in the NWT to optimize local opportunities?
2. If yes, please provide the expected location of Fortune's offices. If no, please provide a rationale for the decision.
3. What steps will Fortune take to ensure that businesses from the Local Study Area and elsewhere in the NWT have an opportunity to compete for and are considered for procurement contracts before those located out of territory? (i.e. how will contracts associated with the development be awarded?)
4. Please provide a prediction of annual local, NWT and total procurement expenditures for each phase of the development.

IR Number: GNWT 10
Source: Government of the Northwest Territories
To: Fortune Minerals Limited
Subject: Adaptive Management
DAR Section: 16.2.12; 16.2.13.2
Terms of Reference Section: Appendix K5:4

Preamble:

When considering monitoring and mitigating socio-economic and cultural effects of development in the NWT, it is important to include and facilitate adaptive management throughout the life of a development. Fortune discusses adaptive management systems in the DAR (16.2.12) and goes on to describe a socio-economic monitoring plan it committed to implementing (16.2.13.2).

Request:

1. Please describe the steps Fortune will take to adapt to issues identified during socio-economic monitoring and in its socio-economic monitoring plan?

IR Number: GNWT 11

Source: Government of the Northwest Territories

To: Fortune Minerals Limited

Subject: Socio-economic transitioning measures for closure and/or temporary shutdown

DAR Section: 16.2.9

Terms of Reference Section: Appendix K2:2

Preamble:

It is important that the local workforce, local businesses and communities are prepared for a successful transition by having in place plans and strategies to minimize the possible negative effects of mine closure (including unforeseen early closure and temporary shutdown).

Although Fortune has provided some commitments it will undertake to mitigate effects of closure on mine employees, more detail is needed.

Request:

1. When considering unforeseen closure, including temporary or early closure, please describe the method and timing of notice given to employees and GNWT program departments (in addition to requirements under the *Employment Standards Act*) should the need for lay-offs occur.
2. When will Fortune establish the Human Resources Closure Plan and Sustainable Development Strategy (DAR section 16.2.9) and how long will each be in effect after closure?
3. How far into operations and before closure does Fortune intend to form its mine closure committee (DAR section 16.2.9) and how long after closure will the committee still function?
4. Please describe where Fortune intends to establish its transition centre (DAR section 16.2.9) and how long before and after closure it will be open?
5. Please describe what steps Fortune will take to mitigate the negative effects of mine closure for local and regional businesses and communities.

IR Number: GNWT 12
Source: Government of the Northwest Territories
To: Fortune Minerals Limited
Subject: Employee Assistance Program (AEP)
DAR Section: 3.12.1.
Terms of Reference Section: Annex K2, 3B; Annex K4, 4a-e

Preamble:

The DAR identifies the intention of Fortune to provide their employees with an Employee Assistance Program (EAP). Additional information is needed.

Request:

1. Please provide details regarding the services that will be covered in the EAP.
2. Please provide information regarding the immediate family members of the employee's ability to access the services entailed in the EAP.

IR Number: GNWT 13
Source: Government of the Northwest Territories
To: Fortune Minerals Limited
Subject: Employee Health Care Coverage
DAR Section: 3.12.1.
**Terms of Reference
Section:**

Preamble:

The DAR identifies that Fortune intends to provide their employees with Health Care Coverage. Additional clarification is needed.

Request:

1. Please provide information regarding whether or not medical insurance will be required to be carried by employees that are not NWT residents (and non-NWT contracted workers). For example, will Fortune Minerals ensure that their employees working in the NWT will all carry provincial or territorial health insurance from their home province (and be within their portability rules while working in the NWT) and that non-Canadian employees (and non-Canadian contracted workers) carry health insurance while working in the NWT?

IR Number: GNWT 14
Source: Government of the Northwest Territories
To: Fortune Minerals Limited
Subject: Reference (Citation) Clarification
DAR Section: 2.2; 2.3.1
Terms of Reference Section: n/a

Preamble:

In order to fully assess the material contained in the DAR, it is important to know the basis for findings. Additional clarification is needed.

Request:

1. Please provide a reference for the following quotes from the DAR or if no reference is available, please substantiate the statements:
 - a. “While not all communities have experienced the same level of educational achievement, improved health, or reduced crime rates, for example, progress has been made overall in almost all of these areas.” (DAR section 2.2)
 - b. “Rotational shift work and increased income have had positive impacts on some traditional activities.” (DAR section 2.3.1)