



## MEMORANDUM

**TO** Rick Schryer - Fortune Minerals Limited

**DATE** 22 February 2012

**CC** Jen Gibson

**FROM** Ross Mitchell

**PROJECT No.** 09-1373-1004.9600

### **UNDERTAKING #9 IN-MIGRATION LEVELS INTO SMALLER COMMUNITIES**

During Day 3 of the Technical Sessions for the NICO Project, the Mackenzie Valley Environmental Impact Review Board and the Tłı̄chǫ Government asked Fortune Minerals Limited (Fortune) to provide a list of references for the case studies it used to estimate the in-migration levels into the smaller communities (e.g. Whatı) as a result of the NICO Project.

The following references and brief summaries are provided for determining in-migration, based on case studies.

- 1) Environmental Impact Statement for Mackenzie Gas Project. 2004. Volume 6, 9-31. Electronic document, available at:  
<http://www.mackenziegasproject.com/theProject/regulatoryProcess/applicationSubmission/Applicationscope/EIS.html#one>. Accessed 14 February 2012.

This report explains the cumulative effects (economic, infrastructure, community, family, land, and heritage) of the Mackenzie Gas Project on 32 communities in Northwest Territories (NWT) and Alberta along the Mackenzie River. Explains that potential in-migration due to the Mackenzie Gas Project would not significantly contribute to the cumulative socio-economic effects of northern rural communities.

- 2) GeoNorth Limited and Golder Associates. 1999. Mackenzie Valley Highway Extension: Scoping, Existing Information and the Regulatory Regime. Prepared for Department of Transportation, GNWT. Yellowknife, NWT. Electronic document, available at: <http://www.dot.gov.nt.ca/>. Accessed 14 February 2012.

The report outlines several impacts of building permanent roads between remote towns in the NWT that were initially seasonal access only. Most impacts were determined to be favourable due to the boost to local economies.

- 3) Gibson, G., and J. Klinck. 2005. Canada's Resilient North: The Impact of Mining on Aboriginal Communities. *Pimatisiwin: A Journal of Aboriginal and Indigenous Community Health* 3(1): 116–139. Electronic document, available at: [www.pimatisiwin.com/](http://www.pimatisiwin.com/). Accessed 14 February 2012.

The article explains mostly negative effects of mining in Canada's North on First Nations communities with respect to in-migration, infrastructure, land use, etc. Some positive effects were noted (e.g., the boost to the local economy). Negative effects were also discussed on health, family, and culture.



## MEMORANDUM

- 4) GNWT (Government of the Northwest Territories). 2010. Communities and Diamonds 2009: Socio-economic Impacts in the Communities of Behchokò, Gamètì, Whatì, Wekweètì, Detah, N'dilo, Lutselk'e, and Yellowknife. Prepared by: Education, Culture and Employment; Finance; Health and Social Services; Industry, Tourism and Investment; Justice; NWT Bureau of Statistics; and the NWT Housing Corporation. 2009 Annual Report of the Government of the Northwest Territories under the BHP Billiton, Diavik, and De Beers Socio-economic Agreements. Yellowknife, NWT. Electronic document, available at: [www.iti.gov.nt.ca/](http://www.iti.gov.nt.ca/). Accessed 14 February 2012.

The report shows historical trends of indicators such as crime, birth, and employment rates due to rising populations in NWT communities caused by large mining projects. The report compares these indicators among the different diamond companies and how northern rural communities responded to large mining projects during 2009 and prior.

- 5) Hobart, C.W. 1986. Native White Relationships in a Northern Oil Town. University of Alberta. Edmonton, Alberta, Canada. The Canadian Journal of Native Studies Vol 1-2: 223-240. Electronic document, available at: <http://www2.brandonu.ca/library/>. Accessed 14 February 2012.

This article explains the impact of in-migration to the once remote community of Norman Wells, NWT due to the growing oil industry. The article describes the problems faced between the local and immigrant populations and also how these problems were alleviated with proper programs and community relations.

- 6) Mackenzie Valley Environmental Impact Review Board. 2008. Report of Environmental Assessment and Reasons for Decision on Tamerlane Ventures Inc.'s Pine Point Pilot Project EA0607-002. Electronic document, available at: [http://www.reviewboard.ca/registry/project.php?project\\_id=38](http://www.reviewboard.ca/registry/project.php?project_id=38). Accessed 14 February 2012.

This report explains mainly positive socio-economic impacts of northern rural communities due to a new mining project with respect to in-migration and new infrastructure. The positive aspect of in-migration was an increase in the economic activity in the community: short-term direct and indirect employment, training, apprenticeships, and business opportunities. The negative aspects of in-migration on the community were stresses on local infrastructure and public services, as well as increases in drugs, alcohol, and crime in the community.

- 7) McMahon, G., and F. Remy. 2001. Large Mines and the Community: Socioeconomic and Environmental Effects in Latin America, Canada, and Spain. The World Bank. Washington, DC. Electronic document, available at: [www.idrc.ca/en/](http://www.idrc.ca/en/). Accessed 14 February 2012.

This report presents case studies of large mining operations near rural communities in different parts of the world and the effects on these rural communities, such as in-migration and new infrastructure. Positive effects noted were the boost to local economies but negative effects were on the population and the environment due to population influx and increased land use.



## MEMORANDUM

- 8) Provincial and Territorial Departments Responsible for Local Government, Resiliency and Recovery Project Committee. 2005. Facing the Challenge of Industry Closure: Managing Transition in Rural Communities. Toronto, Ontario. Electronic document, available at: [www.muniscope.ca/](http://www.muniscope.ca/). Accessed 14 February 2012.

This report explains the boom-bust phenomena of single resource economies of rural Canada and 16 case studies of remote, resource dependent, communities across Canada. The report makes a strong case for rural development as the communities showed resiliency with rapid industrial growth. Case studies provided show how these towns have benefitted from mining operations and are resilient even when the mine closes.

- 9) Ritter, A. R.M. 2000. Mineral Sector Development and the Community: Some Canadian Experiences. Department of Economics and School of International Affairs, Carleton University, Ottawa, Canada. Electronic document, available at: <http://ideas.repec.org/>. Accessed 14 February 2012.

This article explains 4 case studies of how large mining operations have largely had positive effects on local communities in terms of socio-economic effects, such as in-migration. Each case study also shows the positive effects of mining on towns, such as building strong inter-relationships and promoting their culture.

- 10) Slack, E., L.S. Bourne, and M.S. Gertler. 2003. Small Rural and Remote Communities: The Anatomy of Risk. Toronto, Ontario, Canada. Electronic document, available at: <http://www.thestrongroup.org/media/>. Accessed 14 February 2012.

An article explaining how the province of Ontario is experiencing in-migration to its urban centres and out-migration from its rural communities, and how this is negatively affecting rural communities. Ontario's rural communities are at risk for 2 main reasons. First, in the sense of potential economic dislocation and demographic decline; they are the most vulnerable to changes in external economic conditions and markets. Second, lack of economic diversity and the limited degree of local control mean they are the least capable of responding and adapting to external economic shocks.

- 11) Sub-committee of the Intergovernmental Working Group on the Mineral Industry. 1991. Report on Native Participation in Mining, Phase II, It Can Be Done. Electronic document, available at: <http://www.aadnc-aandc.gc.ca/eng/1100100036076>. Accessed 14 February 2012.

This report explains how mining projects benefit the First Nations communities and how fly in/fly out mines are connecting First Nations communities. Most communities benefited from the mining operations by increased business opportunities, training opportunities for residents, and better transportation.

- 12) World Bank and International Finance Corporation. 2002. Large Mines and Local Communities: Forging Partnerships, Building Sustainability. Washington, DC. Electronic document, available at: <http://www.worldbank.org/>. Accessed 14 February 2012.

This report presents examples of rural communities in the developing and developed world that were influenced by large mining operations and how the rural communities changed as a result. Both sides of the argument presented, with the positive side on how mining companies can work with the local communities. The changes were mostly seen to be positive for the rural communities as mining operations are working with local communities instead against them.