

GENERATIONPGM



Marathon Palladium Project Socio-Economics

MARCH 28, 2022

- Introduction
- Economy and Employment
- Infrastructure and Services
- Land and Resource Use
- Archaeology and Cultural Heritage

Introduction



GenPGM Witness Panel:

- Drew Anwyll, GenPGM - Witness Panel Chair
- Jeremy Dart, GenPGM - Environmental & Permitting Lead
- Cathryn Moffett, GenPGM - Indigenous Consultation Lead
- Tabatha LeBlanc, GenPGM - Senior Environmental Advisor

Technical Witnesses:

- Brian Fraser, Ecometrix - Environmental Lead
- Frank Bohlken, Stantec - Economics and Employment
- Hilary Janes, Stantec - Infrastructure and Servicing
- Christine Walsh, Stantec - Land and Resource Use
- Colin Varley, Stantec - Archaeology and Cultural Heritage
- Jon Pounder, Stantec - EIS Addendum

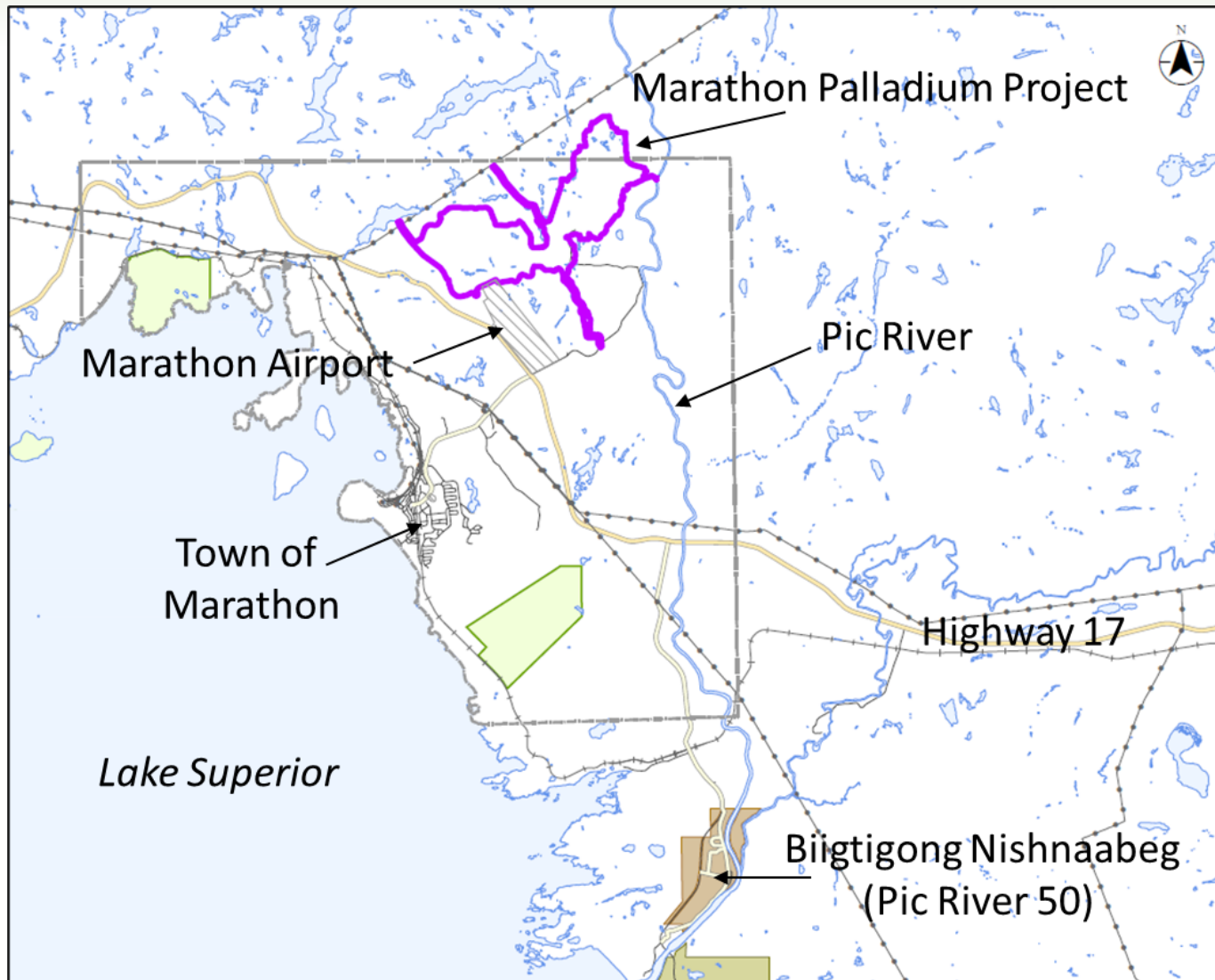
GenPGM Vision and Key Corporate Goals:

- Develop and **grow in a sustainable** manner
- Achieve **substantial benefits** for the region
- Operate **responsibly** and provide a **safe work environment**
- To be an industry leader in developing **mutually beneficial** and **respectful** relationships with Indigenous communities, groups and members
- Focusing on providing **critical minerals** for Canada and Ontario

Project Location

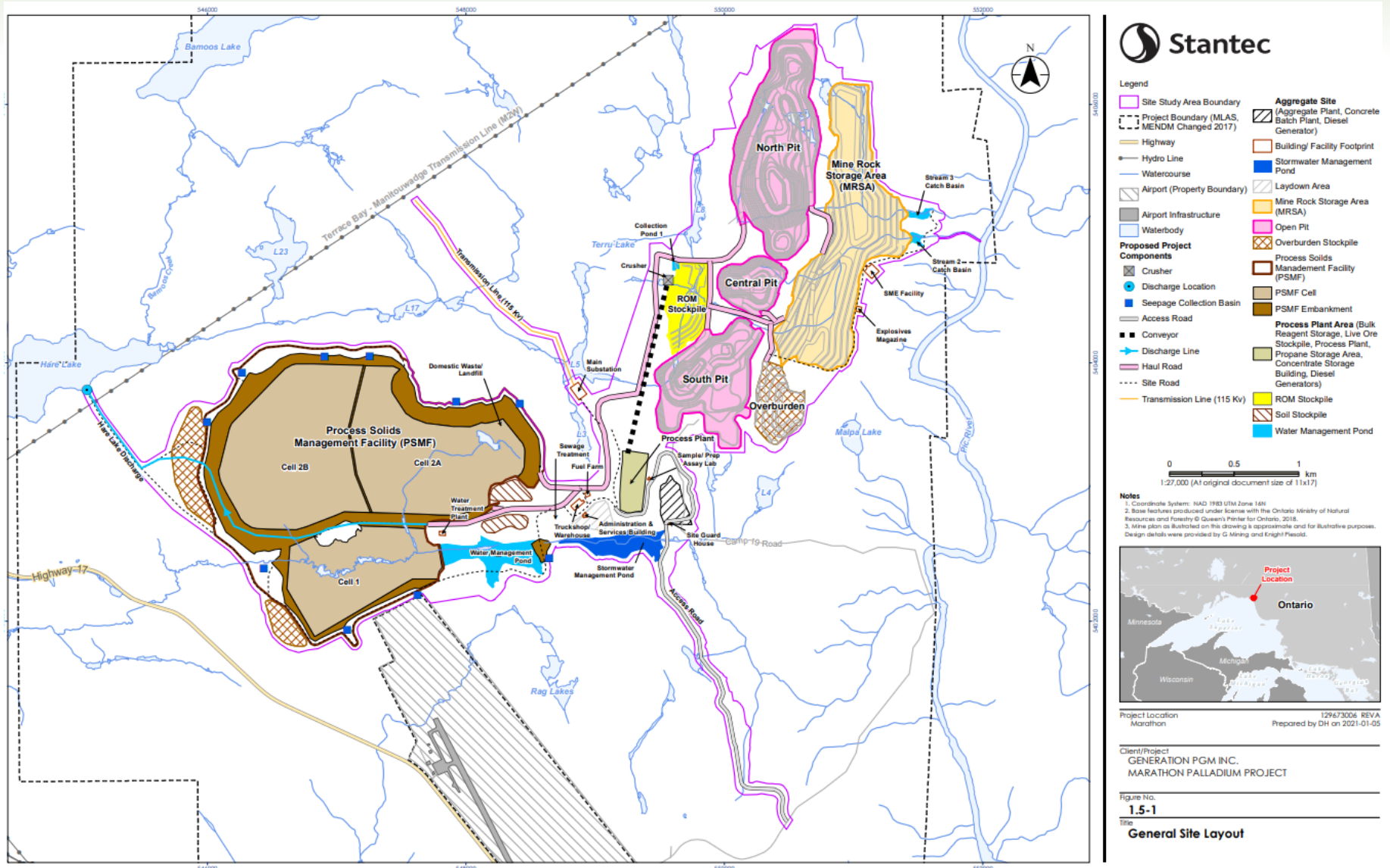
- Located approximately 10 km north of the Town of Marathon and northwest of Biigtigong Nishnaabeg First Nation
- 300 km east of Thunder Bay
- The terrain is moderate to steep with frequent bedrock outcrops and predominant east-west oriented valleys
- Access to the Project site is by an access route called Camp 19 Road which extends north of Highway 17 and proceeds along southern portion of the site before turning north along the Pic River





General Site Layout

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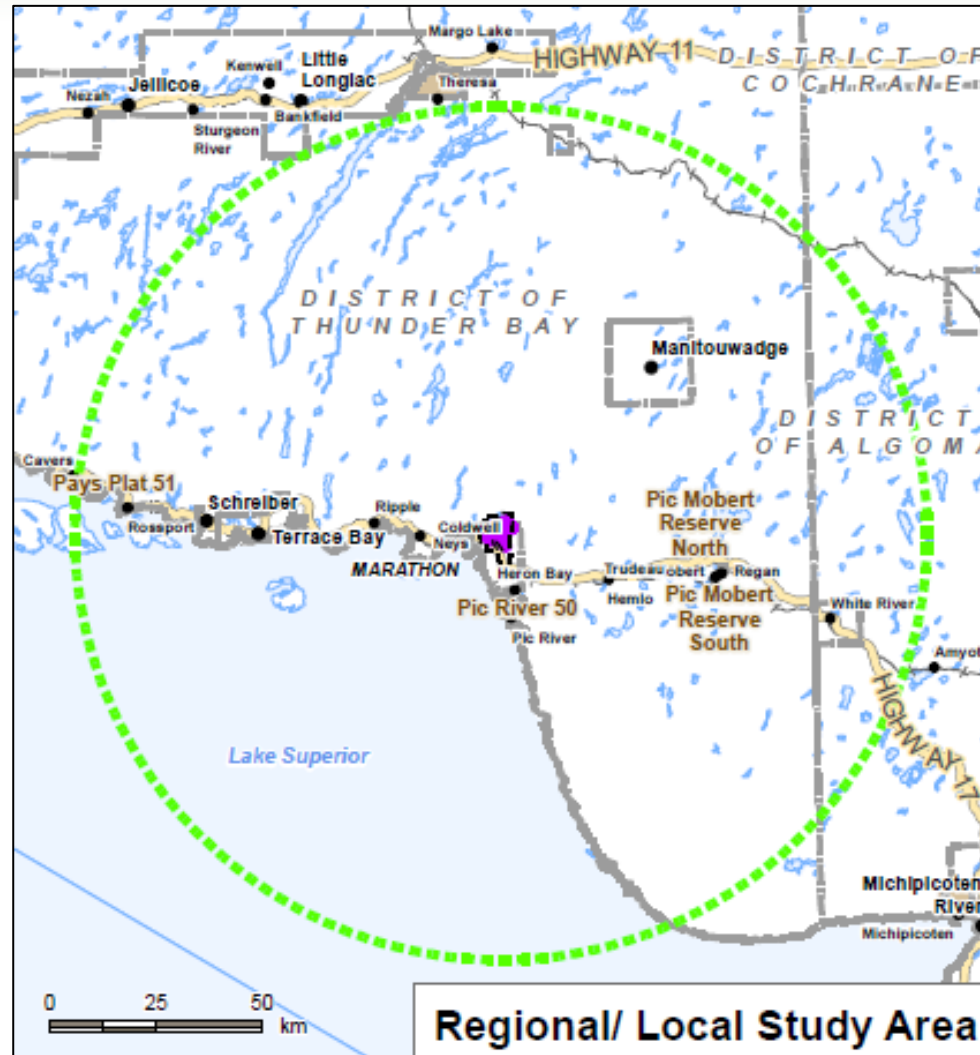


Source: CIAR #727 Figure 1.5-1

- Over **15 years** of consultation and engagement efforts and input from Indigenous communities, public and regulators
- **Design details** provided within EIS and EIS Addendum for robust effects assessment
- Updated technical studies demonstrate that the Project **can comply** with Federal and Provincial regulatory requirements
- GenPGM is committed to on-going dialogue and implementing proposed mitigation measures and commitments outlined in EA documentation
- With mitigation and environmental protection measures, the Project **is not predicted** to result in any significant adverse environmental effects or significant adverse cumulative effects
- Predicted effects and effectiveness of mitigation measures will be verified through follow-up programs and adaptive management process

Economy and Employment



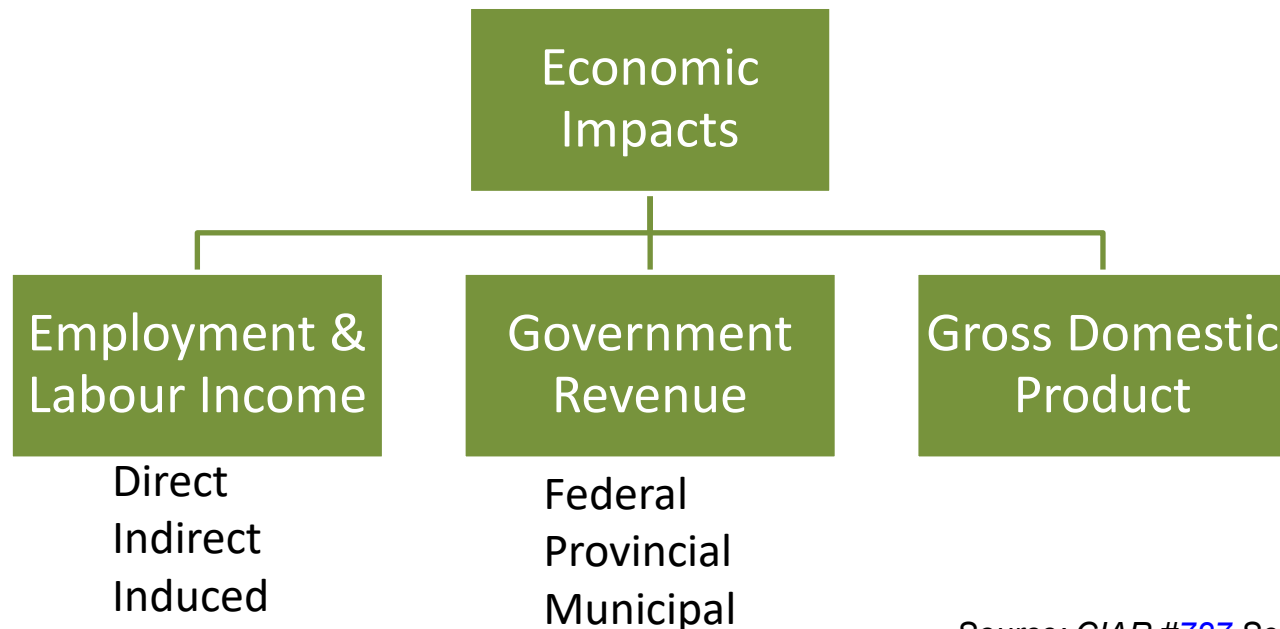


Baseline

- In 2016, RSA had total population of 9,380 persons (48.8% female), including 1,855 (9.8%) persons of Indigenous identity
- Labour force totaled 4,705 (49.2% female) persons, with participation rate of 59.6%
- Mining, quarrying, and oil and gas were largest employers - 14.8% of RSA labour force (690 persons)
- Most of mining workforce living in RSA work in the region
- Changes in Hemlo Mine operation (near Marathon) predicted to reduce its workforce by approximately 50% from 700 to 300-350 people

Effects Assessment

- Change in economy and employment results from Project expenditures, hiring and retention of workers
- Statistics Canada's input-output multipliers used to estimate economic impacts associated with construction, sustaining capital investment, operations, and decommissioning of Project



Key Mitigation and Enhancement Measures

- Recruiting employees from local communities
- Increasing contracting opportunities for local businesses
- Providing opportunities for training to residents of LSA and RSA
- Implementing strategies to help transition workforce post-operation

Employment and Training Programs

- Help develop training programs that target skill sets needed for the Project
- Develop employment equity by offering training programs that enhance employment by women and Indigenous persons
- Working with Indigenous groups on employment and economic participation
- Leverage existing institutions and training centers within region

Labour Benefits

- Project spending will create employment and labour income in Ontario and elsewhere in Canada
- Project Labour force averaging 430 to 550 (construction) and 430 (operations)
- Estimated full-time equivalents of employment (direct, indirect, induced impacts)
 - Construction: 3,916 (Ontario), 5,075 (Canada)
 - Sustaining capital expenditures: 3,591 (Ontario), 4,491 (Canada)
 - Operations (annual): 1,165 (Ontario)
 - Closure: 333 (Ontario)
- Estimated labour income (direct, indirect, induced impacts)
 - Construction: \$339 million (Ontario), \$433 million (Canada)
 - Sustaining capital expenditures: \$209 million (Ontario), \$267 million (Canada)
 - Operations (annual): \$104 million (Ontario)
 - Closure: \$31 million (Ontario)

GDP Contribution

- Project spending will stimulate economic activity in LSA, RSA, Ontario and Canada
- Estimated GDP contributions (direct, indirect, induced impacts)
 - Construction: \$606 million (Ontario), \$779 million (Canada)
 - Sustaining capital expenditures: \$307 million (Ontario), \$398 million (Canada)
 - Operations (annual): \$190 million (Ontario)
 - Closure: \$57 million (Ontario)
- Without the Project, these economic benefits will not be realized

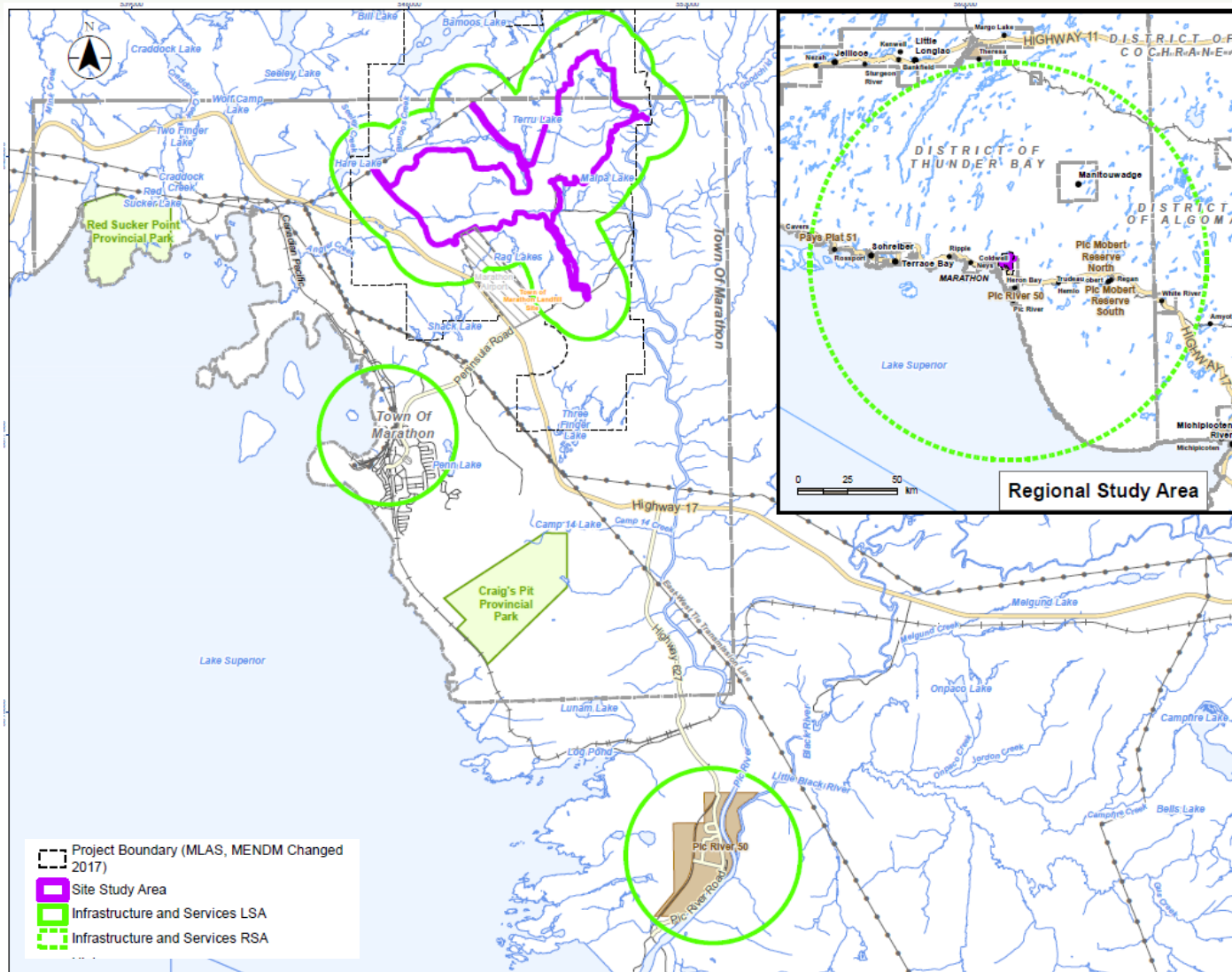
Government Revenue

- Estimated government revenue over life of project (direct, indirect, induced impacts)
 - \$245 million in Ontario mining duties
 - \$279 million in provincial income taxes
 - \$419 million in federal income taxes
 - \$24 million in property and school taxes
- Without the Project, these economic benefits will not be realized

Infrastructure and Services



Infrastructure and Services: Study Areas **GENERATIONPGM**



Source: CIAR #727 Modified from Figure 2.4-4

Baseline

- Low vacancy rates in Marathon and BN has waitlist for on-Reserve housing
- Schools in LSA have spare capacity, except Pic River Elementary which is operating beyond capacity and requires upgrades or replacement
- The CSI increased in RSA between 2014 and 2018
- Most utilities in RSA have spare capacity, BN water treatment system requires upgrades
- Health and emergency response services in the RSA have capacity to handle existing demand
 - Renovated BN Health Centre opened in 2018
- Road network has capacity with nominal predicted delays

Effects Assessment

- Compared anticipated Project demand with existing capacity, as established through baseline research.
- Project-related population increase will place additional demands on existing services and infrastructure
- Existing Town of Marathon infrastructure and services can absorb additional Project-related demand
- BN community infrastructure does not currently have sufficient capacity to support increased demand
- Positive economic effects build capacity or potential further investment in infrastructure and services in response to population increase
- Members of vulnerable groups potentially affected disproportionately

Accommodations / Housing

- Construction camp can provide temporary housing for construction workforce (ability to accommodate 700 people)
- Accommodation Complex will provide shift-based housing for up to 180 people during operations
- Families may accompany Project workers during operations
 - Small non-local workforce (less than 100 people)
 - Housing available in other communities within RSA
 - Marathon has plans to increase housing stock
- All workers in Accommodation Complex will have to abide by Code of Conduct
- Security will be present at the Accommodation Complex
- Socio-economic Follow-up and Monitoring program will monitor population, employment, housing, and cultural and Indigenous considerations (among other indicators)
- Town of Marathon will consider undertaking housing development

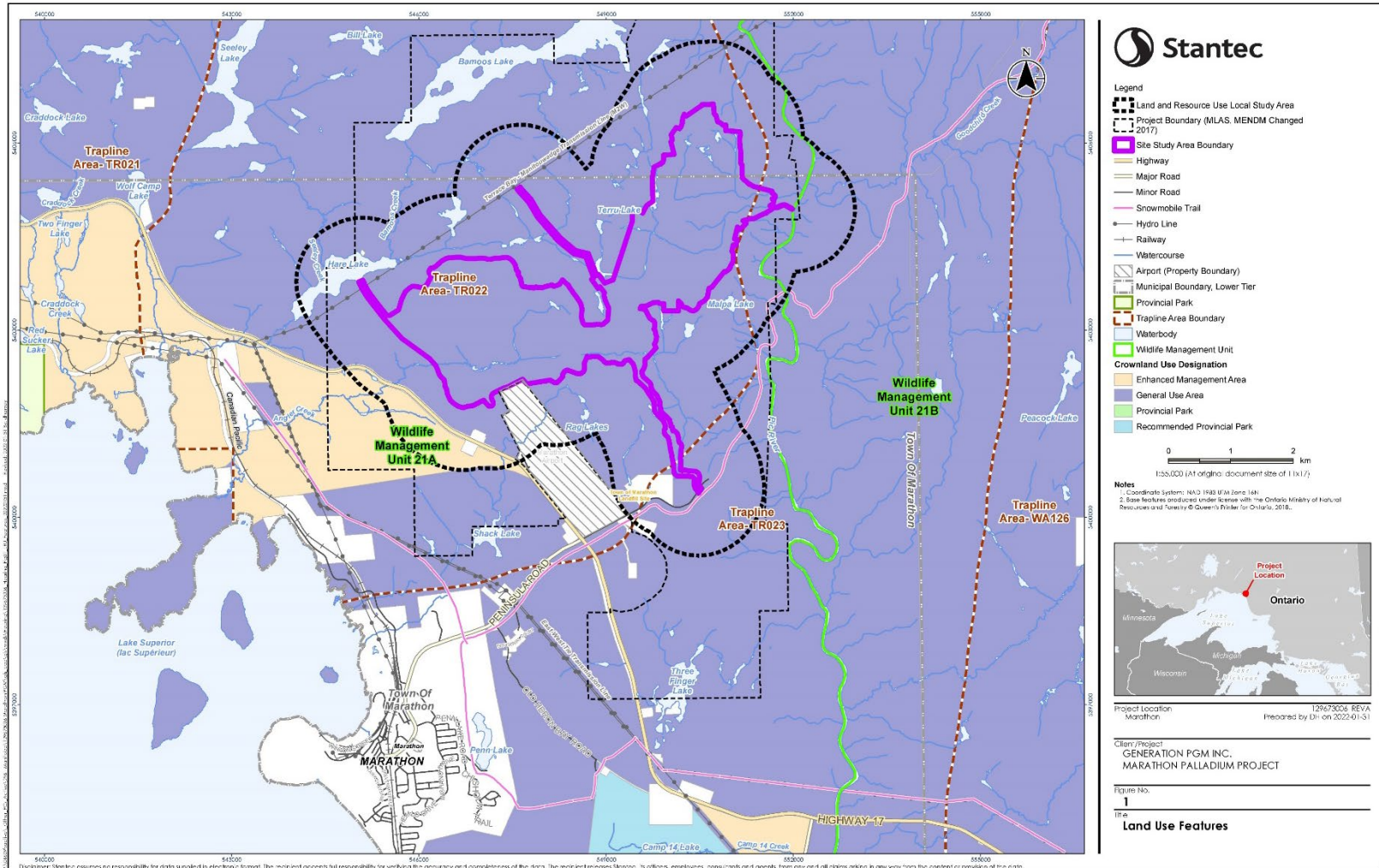
Key Mitigation Measures

- Accommodations Complex
- Recruit employees from local communities
- Will train local youth and members of Indigenous groups to facilitate employment
- Mandatory cultural sensitivity training
- Providing health services and on-site emergency service infrastructure, including fire-fighting equipment
- Traffic management and waste management plans
- Engaging with municipal authorities to coordinate planning of infrastructure development or upgrades

Gen PGM supports BN's efforts to ensure infrastructure and services issues are addressed by the Crown

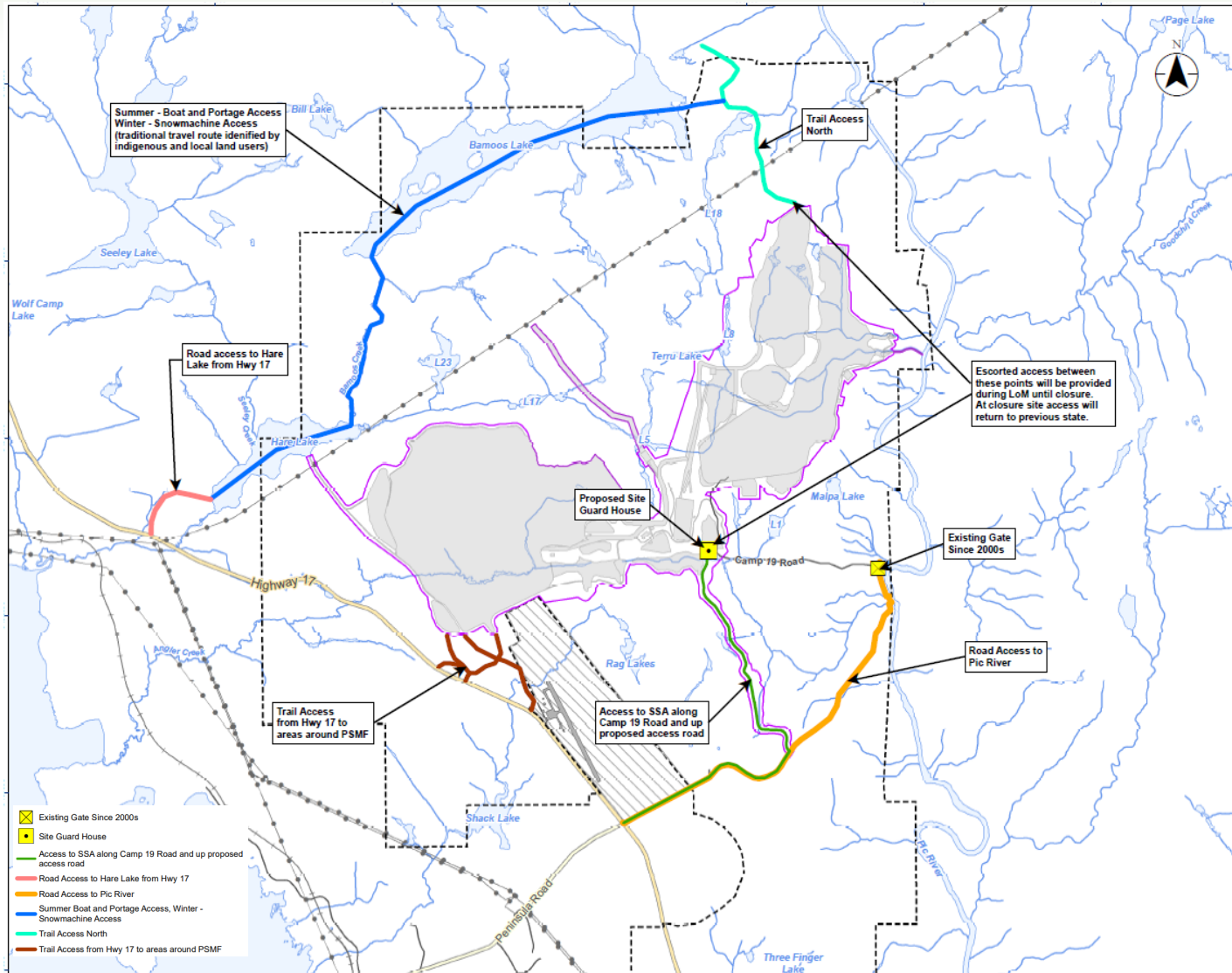
Land and Resource Use





Effects Assessment

- Relied on spatial analysis to quantify the extent of land and resource use areas available
- Considered interactions with other VECs
 - Effects to wildlife and fish are important factors for hunting and fishing
 - Sensory disturbance to users rely on the results of the air quality and noise assessment
- Changes to land and resource use occur primarily through:
 - Loss of, or restricted access to, the SSA
 - Sensory disturbances from Project activities
 - Reduction in overall user experience



- Access for Land and Resource Uses
 - Access restriction required for safety during construction & operations
 - Land users will continue to be able to access land in the LSA
 - Access along Camp 19 Road to the Pic River will be maintained
 - Alternative access is available along through Hare Lake
 - Guide access through the SSA can be provided
- Potential changes in harvesting success
 - Ongoing engagement with users regarding overlap of SSA with hunting, trapping, and fishing areas
- Loss of local resource and recreational use areas
- Aesthetics of site upon closure and ability for public access
 - Desired land and resource end-uses will be considered in preparation of Closure Plan

Effects Assessment

- Continued engagement with affected users throughout the life of the Project, including communicating Project activities, locations, and timing
- Land and resource uses are anticipated to continue at or near current levels over long-term
- Alternative land elsewhere in LSA and RSA is available for resource and recreational pursuits
- Noise and dust effects to nearby users are anticipated to be below regulatory thresholds
- The Project is compatible with established federal, provincial, or municipal land use designations, policies, or by-laws

Archaeology and Cultural Heritage



- Evaluation of potential built heritage resources and cultural heritage landscapes using the MHSTCI Checklist was completed
 - Desktop screening of historic records
 - Air photo review of area
 - Data requests to local and provincial sources, and a review of online databases
- No indication that potential built heritage resources or cultural heritage resources are present in the SSA

Stage 1 and 2 Archaeological Assessments

- 2008 archaeological assessment
 - Mapping and aerial photography used to identify locations with archaeological potential, plus visual survey by canoe along Pic River
 - Visual review by helicopter conducted to supplement Stage 1
 - Stage 2 test pit surveys conducted at 2 locations
 - Studies did not identify any archaeological resources
- 2009 archaeological assessment
 - Supplemental review of Hare Lake, Hare Creek and mouth to Hare River
 - 5 locations on Hare lake identified with archaeological potential
 - Potential disturbance at Hare Lake discharge pipe location
 - Stage 2 archaeological assessment proposed at discharge location and/or refinement to location to avoid potential effects

- Majority of feedback has been supportive of the Project and its benefits to the area
 - Project creates jobs during construction and operations
 - Project creates spin-off employment from spending by the Project workers
 - Project results in millions of dollars in government tax revenue and resource royalties
- Infrastructure and services in the RSA can accommodate the Project
- Majority of employment anticipated from individuals within the RSA
- GenPGM will provide facilities that can accommodate workers from outside the RSA
- Despite reduced access to the mining area for safety, resource and recreational pursuits are expected to continue at or near current levels elsewhere in the area
- Supplemental archaeological assessment will follow MHSTCI standards
- With mitigation and management measures, the Project is not predicted to result in any significant adverse environmental effects on the socio-economic environment

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More information on the Project can be found at:

www.genmining.com

If you have additional questions,
Please email us at comments@genpgm.com