



**PRODIGY**  
GOLD INCORPORATED

## Magino Gold Project

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# MAGINO GOLD PROJECT

Finan Township, Algoma District, Ontario

## ENVIRONMENTAL IMPACT STATEMENT

## CHAPTER 14: BENEFITS TO ONTARIO AND CANADA

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## TABLE OF CONTENTS

|             |                                                                             |             |
|-------------|-----------------------------------------------------------------------------|-------------|
| <b>14.0</b> | <b>BENEFITS TO ONTARIO AND CANADA .....</b>                                 | <b>14.1</b> |
| 14.1        | Supporting a Sustainable Mining Industry in Ontario and Canada.....         | 14.1        |
| 14.2        | Supporting Sustainable Development through Project Closure<br>Planning..... | 14.1        |
| 14.3        | Economic Benefits to Ontario .....                                          | 14.2        |
| 14.4        | Economic Benefits to Canada.....                                            | 14.3        |
| 14.5        | References .....                                                            | 14.5        |

## TABLES

Table 14-1: Magino Mine – Estimated Provincial Economic Impact by Phase (USD) ..... 14.3

Table 14-2: Magino Mine – Estimated National Economic Impact by Phase (USD) ..... 14.4

## **14.0 BENEFITS TO ONTARIO AND CANADA**

As a planning tool, EA is being used by Prodigy to integrate issues and concerns raised by government, the public and Aboriginal groups into the planning and design of the Magino Gold Project in a manner that supports sustainable development. Sustainable development means development that meets the needs of the present, without compromising the ability of future generations to meet their own needs. Wherever feasible, the Project has been designed to avoid or mitigate adverse environmental effects and enhance beneficial ones. Prodigy is committed to developing the Magino Gold Project in a sustainable manner thereby contributing to a healthy environment, economy and communities.

### **14.1 Supporting a Sustainable Mining Industry in Ontario and Canada**

Canada's vast resource potential has made this country one of the world's top destinations for exploration spending, through domestic and foreign investment. As noted in Chapter 1, the mining industry accounted for over 20% of the value of Canadian exports in 2012. The development of the Magino Gold Project will help strengthen the mining industry in Ontario and Canada.

### **14.2 Supporting Sustainable Development through Project Closure Planning**

The Magino Gold Project will have an immediate and direct beneficial contribution to sustainable development. The development of the Project on an existing mine site allows Prodigy to minimize the disruption to undisturbed lands and provides the opportunity to use existing infrastructure and bring the existing site up to current environmental standards. It involves the proper closure of the existing tailings facility and decommissioning of industrial sewage works, power lines, the landfill, refuse, and some buildings that were associated with historic mining activities on the Magino property.

Over the long term, the implementation of the Project's Closure Plan is one of the key means by which Prodigy intends to support sustainable development by:

- Ensuring all future activities undertaken in the Project area are protective of human health;
- Ensuring that rehabilitated areas are in a stable and safe condition;
- Providing for progressive rehabilitation at all phases of mining;
- Providing for the ecological restoration within the Project area;
- Establishing conditions that permit the productive use of the Project area including potential traditional harvesting by Aboriginal peoples, or additional or alternative uses as defined through consultation;
- Providing for post-closure management of the site to benefit communities, government and the Proponent;
- Utilizing available proven technology in a manner consistent with sustainable development; and
- Complying with relevant financial assurance requirements during all phases of mining.

### **14.3 Economic Benefits to Ontario**

#### ***Growth Plan for Northern Ontario***

The Growth Plan for Northern Ontario (Ministry of Infrastructure and Ministry of Northern Development, Mines and Forestry, 2011) is a 25-year plan that guides decision-making and investment planning in northern Ontario. The Growth Plan is intended to build a sustainable northern economy that will provide people living in northern Ontario with more education and career opportunities. The Magino Gold project supports the objectives of the Growth Plan by providing workers and companies with new experience and capabilities that will make them competitive for employment and business opportunities on other projects and, in some cases, other industries. Key community and socio-economic benefits of the Project that contribute to sustainable development in Ontario's north include:

- Opportunities for local and Aboriginal businesses and workforce;
- Opportunities for regional subcontracting of materials and services;
- Employment and personal and family income in northern Ontario and the Province as a whole;
- Increased personal self-reliance and personal and family well-being;
- Associated business expertise and experience, including that related to health, safety, environment and business practices, resulting in increased capabilities, competitiveness and likely entrepreneurship; and
- Government revenues through corporate, employment and business taxes.

Overall, the Magino Gold Project represents new investment in infrastructure, education, training and possibly research and development that supports sustainable economic development.

#### ***Direct, Indirect and Induced Economic Effects***

The development of the Magino Project will result in growth to the local and provincial economies. The economic effects of the Project will accrue from the direct construction, operations, and closure expenditures, including capital, wages/salaries, supplies, materials, and equipment, as well as the indirect and induced or "spin-off" spending that will occur as a result of the Project.

The total estimated economic impact in Ontario of direct, indirect and induced effects (USD) for the construction, operations, and closure phases of the Project is summarized in Table 14-1.

**Table 14-1: Magino Mine – Estimated Provincial Economic Impact by Phase (USD)**

**Spending by Phase and Effects Within Province (\$ '000)**

|                              | Phase        |           |         |           |
|------------------------------|--------------|-----------|---------|-----------|
|                              | Construction | Operation | Closure | Total     |
|                              | \$           | \$        | \$      | \$        |
|                              | 539,759      | 1,802,736 | 20,860  | 2,363,354 |
| <b>GDP Impact</b>            |              |           |         |           |
| Direct                       | 337,198      | 1,126,203 | 13,031  | 1,476,432 |
| Direct and Indirect          | 448,801      | 1,498,946 | 17,344  | 1,965,091 |
| Direct, Indirect and Induced | 539,125      | 1,800,618 | 20,835  | 2,360,578 |
| <b>Jobs</b>                  |              |           |         |           |
| Direct                       | 1,042        | 3,479     | 40      | 4,560     |
| Direct and Indirect          | 2,186        | 7,299     | 84      | 9,569     |
| Direct, Indirect and Induced | 3,058        | 10,212    | 118     | 13,388    |
| <b>Wages and Salaries</b>    |              |           |         |           |
| Direct                       | 144,908      | 483,978   | 5,600   | 634,487   |
| Direct and Indirect          | 218,236      | 728,886   | 8,434   | 955,557   |
| Direct, Indirect and Induced | 263,381      | 879,665   | 10,179  | 1,153,225 |

The number of jobs does not take into account the number of hours worked per employee. It includes full-time, part-time  
The estimate of the total number of jobs covers two main categories: employee jobs and self-employed jobs (including  
Wages and Salaries includes Supplementary Labour Income and Mixed Income.

**Provincial Government Finance**

The provincial government will receive approximately \$335.5 million (USD) in revenue. At the provincial level, personal income tax and corporate income tax are the main contributors at \$78.7 million and \$73.2 million, respectively. The Workplace Safety Contributions add \$49.6 million to provincial revenues, and other indirect taxes amount to \$114.2 million. The Canada Pension Plan will also collect an estimated \$61.4 million.

**14.4 Economic Benefits to Canada**

***Direct, Indirect and Induced Economic Effects***

At the national level, the effects are greater. The estimated effects for the entire country are presented below in Table 14-2. These national estimates include the provincial values for Ontario (Table 14-1 above), as well as effects distributed across all other provinces.

**Table 14-2: Magino Mine – Estimated National Economic Impact by Phase (USD)**

**Spending by Phase and Direct, Indirect and Induced Effects Across All Provinces (\$ '000)**

|                           | Phase        |              |           |              |
|---------------------------|--------------|--------------|-----------|--------------|
|                           | Construction | Operation    | Closure   | Total        |
|                           | \$ 539,759   | \$ 1,802,736 | \$ 20,860 | \$ 2,363,354 |
| <b>GDP Impact</b>         | 591,477      | 1,975,468    | 22,858    | 2,589,804    |
| <b>Jobs</b>               | 3,518        | 11,751       | 136       | 15,405       |
| <b>Wages and Salaries</b> | 289,277      | 966,153      | 11,179    | 1,266,609    |

GDP, Jobs and Wages and Salaries are shown as direct, indirect and induced effects (national level).

The number of jobs does not take into account the number of hours worked per employee. It includes full-time, part-time and/or temporary jobs.

The estimate of the total number of jobs covers two main categories: employee jobs and self-employed jobs (including persons working in a family business without pay).

Wages and Salaries includes Supplementary Labour Income and Labour Income of Unincorporated Sector.

**Federal Government Finance**

The estimated spending over the life of the mine is \$2.3 billion (USD). Using this estimate, it can be concluded that the federal government will collect revenues of approximately \$308.8 million (USD). This estimate includes direct, indirect, and induced sources of revenue. Personal income tax accounts for a projected 51%, or \$155.9 million, of total federal revenues. Corporate tax amounts to approximately 27%, or \$82.7 million. Employment Insurance contributions account for an estimated at 9%, or \$26.7 million, while other taxes amount to 13%, or \$41.7 million of the total federal revenues.

## **14.5 References**

Ministry of Infrastructure and Ministry of Northern Development, Mines and Forestry. (2011).  
Growth Plan for Northern Ontario 2011.