

**Mining Association of Canada
Towards Sustainable Mining**

Summary Report

**16th Meeting of the
Community of Interest Advisory Panel**

**September 20-21, 2011
Cranbrook, BC**



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Introduction

This report presents a summary of discussions from the September 20-21, 2011 meeting of the TSM Community of Interest (COI) Advisory Panel ("the Panel"), including decisions on the work of the Panel and recommendations to the Mining Association of Canada (MAC). Any dissenting views have been identified and recorded.

Summary of Action Items

Below is a summary of action items arising from the meeting. New action items are underlined throughout the report.

NEW ACTION ITEMS					
#	ITEM	LINK TO REPORT	RESPONSIBLE	TIMELINE	STATUS
#1- March- 11	MAC / Stratos to review and revise the post-verification guidance document to ensure a greater emphasis of companies on the successes and challenges of TSM (moving beyond a focus on TSM results).	Section 1	MAC / Stratos	May 31, 2011	Complete
#2- March- 11	MAC to gather and systematically document feedback on TSM to inform a COI Panel discussion on the value proposition of TSM.	Section 1	MAC	In time to support discussion	Complete
#3- March- 11	MAC to forward Ornge information item from Richard Briggs to Chris Hodgson, President of the Ontario Mining Association.	Section 1	MAC	ASAP	Complete
#4- March- 11	Ginger Gibson will keep COI Panel members apprised of when IBA Community Toolkit training sessions are being offered in certain regions.	Section 1	G. Gibson	Ongoing	Complete
#5- March- 11	Julie Gelfand to ask Initiative Leader's about presenting preliminary data on new protocols to the COI Panel.	Section 2	J. Gelfand	April 19, 2011	Complete
#6- March- 11	MAC to provide an update on how MAC membership changes once annually.	Section 2	J. Gelfand	Annual presentation	At March 2012 meeting
#7- March- 11	MAC to provide a list of all member companies with the following information included: <ul style="list-style-type: none"> - Name of company; - Where the company operates; - Where the company is in the TSM process; and - Type(s) of commodities mined. 	Section 2	MAC	May 31, 2011	At March 2012 meeting
#8- March- 11	MAC to circulate details on International Mine Closure Conference to the COI Panel.	Section 2	MAC	ASAP	Complete
#9- March- 11	MAC to circulate the National Round Table on the Environment and Economy (NRTEE) report on water and mining to the COI Panel.	Section 2	MAC	ASAP	Complete
#10- March- 11	COI Panel members to provide written comments on the draft mine closure protocol to MAC.	Section 3	Panel members	By April 22, 2011	Complete

NEW ACTION ITEMS					
#	ITEM	LINK TO REPORT	RESPONSIBLE	TIMELINE	STATUS
#11-March-11	MAC to look into options for sharing all feedback received on the draft mine closure protocol.	Section 3	MAC	April 30, 2011	Complete
#12-March-11	Stratos to touch base with the longest term individuals about their intentions to continue with the COI Panel (as per Recommendation 1, Panel Renewal).	Section 5	Stratos	May 31, 2011	Complete
#13-March-11	Stratos to convene an approach to sharing names and bios to develop a roster of new candidates (in support of Recommendation 3, Panel Renewal).	Section 5	Stratos	April 30, 2011	Complete
#14-March-11	Stratos to circulate revised Panel Renewal Working Group recommendations.	Section 5	Stratos	April 30, 2011	Complete
#15-March-11	COI Panel members to put forward the names and bios of 2-3 candidates.	Section 5	Panel members	June 10, 2011	In Progress
#16-March-11	MAC and Stratos to continue to adapt the methods and mechanisms for seeking feedback from the COI Panel.	Section 9	MAC / Stratos	May 31, 2011	In Progress
#17-March-11	COI Panel members to provide feedback to Stratos on their preferences for mine tour options at the September 2011 meeting.	Section 9	Panel members	ASAP	Complete
#18-March-11	Confirm next meeting of the Panel. (Tentatively set for Sept. 20, 2011 in Calgary, with the possibility of a mine tour on Sept. 21, 2011.)	Section 9	J. Gelfand	ASAP	Complete
#1-Sept-11	Reconstitute a design team (similar to the one that created the Panel) to develop a set of recommendations and revise the COI Panel Terms of Reference as necessary	Section 2	MAC / Stratos	ASAP	In Progress

Welcome and Approval of March 2011 Panel Meeting Report

The Panel facilitator welcomed COI Panel members to the 16th Panel meeting and provided updates on Panel members that were unable to attend the meeting. Due to unforeseen circumstances, two Panel members declined to participate in the meeting in the week leading up to the September 2011 meeting (Soha Kneen and Alan Young). Additional Panel members were also unable to attend the meeting: Roger Augustine, Stephen Kibsey, David Mackenzie, Eric Morris, Craig Ford and Doug Horswill. Ian Pearce, CEO of Xstrata Nickel, participated as alternate representing the MAC Governance Team.

Julie Gelfand, Vice President of Sustainable Development, announced that she has accepted a new role of Vice President, Environment and Corporate Social Responsibility with the Iron Ore Company of Canada, effective October 1, 2011. Pierre Gratton notified the Panel that Ben Chalmers, currently Vice President Environment and Technical Affairs with the Mining Association of British Columbia, will replace Julie and take on the role of Vice President of Sustainable Development at MAC, effective November 1, 2011.

Panel members approved the March 2011 meeting report without additional amendments. Ginger Gibson reported back on an action item regarding IBA Community Toolkit training: a training

session will be offered on October 4-6, 2011. Funds are currently being sought to translate the Toolkit into Spanish.

1 Post-Verification Review

The Panel selected Iron Ore Company of Canada (IOC) for the September 2010 post-verification review from the list of companies planning to undergo TSM verification in 2010; however, IOC requested that its post-verification review be delayed until September 2011 to allow it to reach its goal of maintaining and achieving TSM scores of AA's and AAA's in all performance areas by the end of 2010. At the September 2010 meeting, De Beers Canada Inc. volunteered to undergo post-verification review in 2011.

Post-verification review was undertaken with both companies at the September 2011 meeting. The results of the post-verification review are provided in a separate report that will be sent to Panel members and posted on the MAC TSM website.

One of the action items stemming from the March 2011 COI Panel meeting was to review and revise the post-verification guidance document to ensure a greater emphasis of companies on the successes and challenges of TSM (moving beyond a focus on TSM results). The Panel facilitator summarized the minor revisions proposed by the post-verification review working group (composed of Larry Haber and Alan Young). A copy of this guidance document with proposed revisions was provided in the briefing binder. COI Panel members did not express any concerns about the proposed revisions.

2 Panel Renewal and a Renewed COI Panel and MAC Relationship

The Panel Facilitator introduced this agenda item by recapping the activities that took place at the last COI Panel meeting and the supporting activities that followed through the summer.

At the March 2011 Panel meeting, a Panel renewal working group (Larry Haber, Ginger Gibson and Doug Horswill) presented a set of recommendations for proceeding with a panel renewal process consistent with the renewal rate outlined in the Panel Terms of Reference (i.e., 2-3 members every two years). The Panel adopted these recommendations with a few changes and outlined a set of next steps for the Panel Facilitator to undertake including:

- Touching base with the longest term individuals about their intentions to continue with the COI Panel (as per Recommendation 1).
- Convening an approach to sharing names and bios to develop a roster of new candidates (in support of Recommendation 3).

As a result of the activities carried out by the Panel Facilitator, it was determined that:

- Within the next couple of years, the following long-standing, individual members intend to move on from the Panel: Christy Marinig, Rick Briggs, Larry Haber and Ginger Gibson.
- The Canadian Environmental Network is starting a delegate selection process to replace Brenda Kelley after seven years on the Panel.

The Panel Facilitator also contacted Chief Morris and Chief Augustine to discuss the topic of Panel renewal, but was unable to reach them. Two prospective Panel candidates were nominated by COI

Panel members, and one candidate was self-nominated through MAC. These candidates were not discussed at the meeting. At the meeting, Christy Marinig committed to submitting the name of an additional prospective candidate following the meeting.

The Panel Facilitator commented that the Panel renewal process has not progressed to the degree originally planned, and that there is a need to address the issue of attendance at COI Panel meetings going forward. In order to scope the next steps and provide further input to Panel renewal, the Panel Facilitator asked Pierre Gratton to provide an update on MAC's key strategic directions for TSM. Subsequently, COI Panel members provided reactions to Pierre's comments and brainstormed and reported back on suggestions for shaping COI Panel renewal in small groups. These discussions and recommendations are summarized below.

Pierre Gratton, President and CEO of the Mining Association of Canada, informed the Panel that the mining industry is entering an era of growth that creates new opportunities and challenges. When TSM was first developed, commodity prices were low and there was limited new growth or expansion in Canada's mining sector. If anything, the sector was shrinking. The industry was struggling with negative perceptions of the sector, brought about by major international tailings disasters and a view that industry performance was not meeting public expectations, compounded by the fact that the industry was stagnant and out of favour.

Today, all that has changed. Though the industry remains cyclical, rising commodity prices are attracting sharp increases in exploration and capital investment, and Canada's mining sector is poised to grow, with the industry back in vogue. Based on the accomplishments of TSM, the industry should be better positioned to tackle this new era. However, globalization has also changed the industry, and now a lot of the issues and challenges facing the industry are overseas, but played out domestically.

Given this evolving external context, there is a need to re-examine the Panel's role. The MAC Governance Team is interested in expanding and deepening its relationship with the COI Panel just as the Panel itself is interested in expanding its relationship with MAC. The Governance Team believes that TSM needs to remain at the core of Panel activities (e.g. post-verification reviews are extremely valuable as they bring credibility to the initiative and encourage member learning), but there is now an opportunity to move the panel to a different advisory role more responsive to current needs.

The MAC strategic planning process has identified the following priorities for TSM's implementation:

- "Recalibrate" and "refocus" ongoing growth and promotion of TSM to make sure it is more relevant and practical.
- Bring focus to performance areas where additional work is needed (i.e., biodiversity conservation management, energy and greenhouse gas emissions management - where the issue is material for members).
- Improve communications (e.g., new website) and look at ways to engage or reengage with a broader audience (e.g., establish partnerships to offer training on biodiversity management). Awareness of TSM has been lower as it has been implemented, relative to when it was designed.
- Address concerns about implementation burden by companies across a range of initiatives (e.g., MAC is talking to ICMM about a hybrid approach to reduce implementation burden).

Pierre noted that two defining issues of TSM are the COI Panel and the facility-level post-verification reviews. Building on these strengths, MAC would like to explore how to create the greatest value for MAC members. One industry representative noted that companies track and participate in a variety of initiatives and map stakeholder interests and requirements, and that it is necessary to ensure that MAC stays focused on the most appropriate issues related to its mandate.

In a roundtable discussion, non-industry Panel members confirmed the importance of a focus on communications for TSM and provided the following responses to Pierre's opening remarks:

- TSM information needs to be cast in terms that are relevant and meaningful to the public.
- A public forum is needed to discuss issues (e.g., the public was not engaged in the development process of MAC's mine closure protocol).
- TSM often doesn't make it from the CEO level to the mine manager level. Awareness of the initiative is needed (even for employees at MAC member companies).
 - Periodic CEO and employee discussions on company strategic priorities can be a useful way to enhance communications.
- Simple information is needed to enhance communications; sustainability reports may not be of interest to target audiences.
 - For example, employees listen well and follow leadership, but may be inclined to read less.
- Consideration is needed about "what to communicate". The industry needs to convey the message that having a mine in a community can be a positive experience.
- TSM was originally created in response to a perceived credibility issue. To what extent have the issues of visibility and credibility been addressed? The mining industry is poorly understood (by communities and regulators). Understanding of regulatory environments and what is functioning well or not is needed and case material can be a mechanism for bringing issues out into the open and outside the COI Panel setting.

Julie Gelfand, Vice President of Sustainable Development of the Mining Association of Canada, proposed that convening smaller, regional TSM COI in mining communities across Canada could support engagement activities. Panel members had differing views on the value of this approach. Two Panel members thought this could be useful. One Panel member thought that many communities would not have capacity to participate. Another Panel member thought that communities might be more interested in talking about key issues for their community, rather than TSM. One industry representative suggested that it is the responsibility of companies to engage with communities and people. Another Panel member suggested that MAC should broaden the audiences that it engages. Pierre confirmed that the general public has not been the target for TSM communications, but rather:

- Communities where mines are active;
- Members of the environmental movement;
- Aboriginal community leaders;
- Investment community; and
- Regulators / governments.

One industry representative noted that through its communications and engagement activities MAC is trying to facilitate change, and that part of this is helping members to understand the value of COI Panel. Another industry representative suggested that the greatest value of the COI Panel is the thoughtfulness of the questions posed at meetings. It was suggested that COI Panel

members could play a greater role in communicating back to their constituencies, networks or communities about TSM.

The Panel Facilitator summarized three potential opportunities for deriving additional value from the COI Panel including: enhancing Panel member communications with constituencies; convening TSM regional Panels; and creating forums for discussion of other issues. With these preliminary ideas in mind, the Panel Facilitator asked Panel members to divide into groups and develop three concrete recommendations about renewing the MAC and COI Panel relationship. The recommendations are grouped by theme and summarized below.

Mandate / Scope of Conversation

- The COI Panel is the only national level dialogue that occurs in the mining industry; however, the Panel has been too focused on performance indicators. The Panel has asked meaningful questions and the industry has demonstrated performance improvement. Focus is needed on bringing in tools and processes that add value.
- Maintain a focus on TSM in order to improve what has already been developed.
- Determine the next core focus for the COI Panel. Since its inception, the focus of the COI Panel has been on performance indicators.
- Ideas for future topics or a core focus include:
 - Determining how TSM could be used to influence and share behaviour with non-MAC members.
 - Determining how to drive community engagement and community development systematically across the country, particularly at older sites.
 - There is an opportunity for MAC to be a leader on issues (e.g., developing case studies on mine closure).

Panel Composition

- COI Panel attendance rates need to be addressed.
- Review how to enable participation of First Nations.
- New expertise may be needed if the COI Panel takes a policy focus or expands its scope to consider international issues.
- A mutual benefit needs to be identified for prospective Panel candidates (i.e., what can they bring to the industry and what can the industry provide to them). Panel members need a "return on investment" and current COI Panel issues may not be relevant or practically applicable to COIs.
- Duration of Panel term should be reviewed.

Range of Activities

- Convene local or regional COI or enable engagement through the MAC website to generate discussion topics on best practices and concerns for discussion at COI Panel meetings.
- Review the mechanism for two-way communication and feedback during COI Panel meetings (i.e., to improve COI Panel member understanding of MAC members needs of COI Panel discussions).
- Determine whether and how to place greater effort on communicating back to constituencies. For national Aboriginal organizations, few resources exist to communicate messages down to communities and it is unclear how communities would use this information if they received it. COI Panel meetings cover a great deal of information through a number of agenda items, making it difficult to report back on meaningful information to constituencies.

- Ensure the post-verification review process is rigorous and that companies adequately address TSM. Invite auditors to the post-verification reviews. Ensure that useful information arising during post verification reviews is communicated to other MAC members.
- Review approach to staying connected between meetings (i.e., calls on specific issues). Currently, engagement between meetings only occurs through the Panel Facilitator.

In summary, the Panel Facilitator commented that a number of incremental changes have been recommended for COI Panel renewal, rather than a full shift in mandate. The Facilitator recommended that a design team (similar to the one that created the Panel) be reconstituted with participation from the Panel, MAC and Stratos to develop a set of recommendations and revise the COI Panel Terms of Reference as necessary. In closing, one Panel member recommended that a Panel renewal design team should review the work of the Panel to date (referencing reports and recommendations), as lots of work has already been completed on this topic. MAC noted that this renewal process will include identifying prospective Panel candidates to support Panel turnover.

3 Tour of Sullivan Mine, Kimberley, BC

The Sullivan mine, located in Kimberley, British Columbia, is a closed mine that began production in 1909, and operated for more than 90 years until its ore reserves were exhausted in 2001. The deposit was discovered in 1892 and acquired in 1909 by the CPR-owned Consolidated Mining and Smelting Company of Canada (later Cominco Ltd. and Teck Cominco). Since closure, Teck Cominco (now Teck Resources) has been undergoing extensive decommissioning and reclamation at the site. Larry Haber led the Panel on a bus tour of Kimberley, highlighting how the community developed following the closure of Sullivan Mine through collaboration between Teck Cominco and the community on projects of joint interest. Discussion on this topic is captured under Section 4 of this report (Discussion on Socio-economics of Communities Where Mines Close).

4 Social and Economic Aspects of Mine Closure

Prior to the COI Panel meeting, panel members expressed an interest in discussing social and economic aspects of mine closure. To inform this discussion, two Panel members (Larry Haber and Alan Penn) provided a brief introduction on their experiences relevant to this topic and where applicable, outlined potential questions or opportunities that could be pursued in the future. Due to a tight meeting agenda, limited time was available for a full discussion; however, the following provides a summary of the presentations and discussion that occurred.

Expanding on the commentary that Larry Haber provided during the tour of Kimberley, BC, Larry outlined the three key community development steps that Kimberley undertook to manage the transition from a mining community to a community with a broader identity.

1. **Community assessment:** First, Kimberley undertook a community assessment to examine available resources (i.e., financial, infrastructure, human and community capital and its organizational structure and capacity). This assessment included looking at the Sullivan Mine and its closure as both a threat and an opportunity (i.e., an opportunity existed, but Teck owned much of the land surrounding the community).
2. **Strategy development:** To shape its transition strategy, Kimberley examined a variety of opportunities that existed for small business, institutions, tourism and industry. The

community also scoped a rebranding process that would allow it to reshape its identity beyond a mining community.

3. **Implementation:** To implement its strategy, Kimberley:
- Sought community input and agreement;
 - Developed organizational capacity (i.e., created the Kimberley Community Development Society);
 - Created opportunities for revenue (i.e., through ownership of a local campground) and through investment from provincial and federal governments (which included lobbying the government to consider tourism as an industry);
 - Sought opportunities for joint action with Teck, particularly through acquiring land (e.g., for golf course); and
 - Established activities and rebranded its image as a four-season community, rather than two-season community.

In contrast, Alan Penn provided some of his perspectives on issues related to more remote sites based on his experience in northern Quebec. As context, Alan noted that the metal and mining sector is expanding and as it does, these mines are becoming more and more remote. With about 100 mines operating currently in Canada, we can expect to see something in the order of ten mines closing per year.

Alan identified a number of areas for inquiry that are not currently being addressed elsewhere that could promote learning, problem solving and improved practice and management related to mine closure in and near communities. These include:

- Forecasting mine closures geographically to examine issues on a regional basis.
- Examining the example of the closure of Inmet's Troilus mine to determine if there are lessons that could be applied elsewhere in Quebec.
- Exploring how to bring Aboriginal groups into the discussion of mine closure and understanding the relationships between different structures of interest and their connection to the land (e.g., regional interests vs. community interests vs. family interests).
- Improving understanding on what it means to return land to land owners.
 - Another Panel member indicated that different closure criteria might emerge if constitutionally recognized rights (i.e., Aboriginal treaty rights) were acknowledged.
- Analyzing and developing case study material on what closure will mean for communities themselves. For example what will mine closure mean for existing infrastructure - the precedent is to return land to its natural state, but communities have great interest in ongoing use of infrastructure (particularly transportation infrastructure).
- Understanding the regulatory context in which mine closure occurs. For example, in Quebec, government priorities may include site stabilization and minimization of risk which lead to regulatory requirements that can be in conflict with broader community priorities and interests. In addition, departments and agencies within governments can have conflicting priorities and often there is no opportunity for communities to be engaged in these discussions. Bureaucratic processes eliminate community involvement. Case material could be used to help illustrate issues that are relevant at the community level.
 - Another Panel member noted acid mine drainage and financial security are two of the most important issues related to mine closure for governments,

but that these issues typically occur as bilateral discussions (e.g. between proponents and governments, excluding communities).

- Other members noted that in British Columbia, companies have not yet been prepared to collaborate on mine closure or financial assurance issues. However, in Alberta, coal and oil sands companies have been working more collaboratively on mine closure over the last two to three years to get faster results, which has included discussing how to make reporting on the stages and evolution of mine closure more transparent.

The Panel facilitator concluded the discussion by noting the COI Panel's interest in discussing issues that are relevant at a regional scale and that are embedded in different regulatory contexts across Canada. While the COI Panel's mandate relates to issues of national scope there may be an opportunity to link to other conversations that are taking place or to invite regulators to COI Panel meetings for discussion on particular agenda items.

5 Discussion with Teck Coal's CoI

Members of Teck Coal's Communities of Interest were invited to meet with the MAC COI Panel for a discussion on their engagement with Teck Coal. The following representatives of Teck Coal Limited and Teck Coal's Communities of Interest joined MAC's COI Panel for a discussion:

- Casey Brenan, Southern Rockies Program Manager, Wildsight
- Cindy Corrigan, Mayor, City of Fernie
- Marian Eunson, Manager, Employment Services Department, Ktunaxa Nation Council
- Sharon Fraser, Acting Mayor, District of Sparwood
- Lois Halko, Councillor, District of Sparwood
- Dean McKerracher, Mayor, District of Elkford
- Nic Milligan, Manager of Community and Governmental Affairs, Teck Coal Limited
- Rosemary Phillips, Education and Workforce Strategic Initiatives Coordinator, Ktunaxa Nation Council
- Sharon Strom, Coordinator Sustainability, Teck Coal Limited
- Lee-Anne Walker, Executive Director, Elk River Alliance

Michael van Aanhout, the Panel Facilitator, and Pierre Gratton, the President and CEO of MAC, began the discussion by providing some context on the evolution of MAC's Towards Sustainable Mining (TSM) initiative. The initiative was born out of a need to address some crises internationally by Canadian companies (related to tailings dam failures). MAC established TSM because the mining industry was not performing in a way that the public expected. There was a need for the industry to be more open and more transparent, which included the establishment of a national Community of Interest Advisory Panel.

Nic Milligan, Manager of Community and Governmental Affairs for Teck Coal Limited also provided an introduction to mining in the Elk Valley and Teck Coal. Coal mining has occurred in the region since before the turn of the last century. In the 1960s, new legislation was introduced that spurred on mine reclamation in the Elk Valley. In 2003, five coal operations were reformed under Elk Valley Coal and at that time, ideas about social license to operate began to emerge, including relationships with communities (particularly with First Nations). Now in 2011, Teck Coal employees feel empowered to engage with communities openly and proactively and to do the right thing. The formation of Teck Coal's Advisory Panel on Selenium Management in 2007 was a watershed

moment that demonstrated the company's ownership over the selenium management issue, creating an opportunity to talk with communities about this issue. In addition, Teck has launched Courageous Safety Leadership ("CSL") with the primary vision: "everyone going home safe and healthy every day".

To provide a starting point for discussion, community members were provided with the following questions for consideration prior to the COI Panel meeting:

- How has your community engaged with Teck Coal?
- How has this engagement worked for your community?
- What advice would you give to:
 - Other mining companies about how to engage effectively?
 - Other communities about how to engage effectively?

The following summary represents a synthesis of the stories and perspectives shared by community members (without attribution) on their engagement with Teck Coal.

Many of the community representatives that participated in this discussion noted that they are from families which have lived in the Elk Valley for several generations and that either they or a family member has worked in mining.

Municipal perspective

The Teck Coal operations are located closest to Elkford (approximate population 2,600), then Sparwood (approximate population 4,200) and then Fernie (approximate population 5,200). Mine site shifts (which are four days on and four days off) allow employees to live in all of these communities and other communities, primarily in Western Canada.

The Elk Valley Tax Sharing Agreement is a key success factor that has led to economic stability and certainty for The District of Elkford, the City of Fernie, the District of Sparwood, and Area A of the Regional District of East Kootenay. The twenty-five year agreement was renegotiated in 2008, based on what is needed to run these communities. The first agreement took five years to settle, but the most recent negotiation was settled in 14 months. The base property tax levied on industrial coal mining properties is \$8.9 million and will be adjusted annually for inflation. More information on the agreement can be found at the Elkford website:

<http://www.elkford.ca/modules/news/newsitem.php?ItemId=7>.

Community representatives indicated that at one point the three municipalities competed for their share of the agreement, but that they now recognize that they can't work in opposition, and that they must work together.

First Nations perspective

First Nations have been shut out of the benefits sharing of mining and do not receive any taxes from mining in the Elk Valley. A big goal and challenge is to meet the basic needs of the Ktunaxa Nation. However, discussion with the province about resource-revenue sharing is now underway as part of treaty negotiations. The Nation did not have much of a relationship with Elk Valley Coal, but then signed a working protocol agreement in 2007 with Teck Coal and has a significantly improved relationship with the company. Some members of the Ktunaxa Nation now work at the mine and Teck Coal has a draft procurement and employment strategy with the Ktunaxa to promote business and employment opportunities. The Ktunaxa have been able to count on Teck for generosity and support with important community events such as career fairs for students and

sending its dance troop to the Olympics. Relationships between the Ktunaxa and Teck Coal are currently strong, but it is unclear whether it is the protocol or the people that are contributing to the success.

Perceptions about improving engagement with Teck

Community representatives believe that Teck Coal is trying to “do the right thing” and that improvements in engagement and environmental performance have occurred, particularly in the last five years. Communication and engagement activities with Teck were not always considered effective and credible (e.g., no opportunity to provide input on mine expansions in the 1970s, Teck sponsorship of climate change denier at local workshop in 2004, adversarial meetings with the mining industry). However, participants noted that an attitude change occurred which is leading to building stronger relationships. A number of positive activities and opportunities are currently in place for community engagement including:

- Providing input on mine expansions plans before they go to the regional district;
- Meeting regularly with Teck Coal to learn about mine plans and important activities (e.g., transportation of coal on roadways);
- Engaging with Teck Coal on substantive issues to improve transparency (e.g., selenium management panel, sustainability report review, aquatic effects monitoring, general action to increase sustainability);
- Obtaining financial support for a range of activities (e.g., watershed monitoring and mapping programs, career fairs for students, travel support for a dance troop to participate in the 2010 Olympics and a miners memorial); and
- Having a Teck Coal employee sit on an NGO Board to foster relationships.

Challenges

A few particular challenges related to broader sustainability that were highlighted by participants include:

- Balancing the coal mining industry and its impacts (social, environmental) with the interests of others (e.g., tourists and second-home owners);
- While there is good emergency support in the region, one municipality noted that it suffers from a lack of health care; and
- While some community representatives think that reclamation is occurring at the mine sites, other representatives are concerned about a limited amount of reclamation activity.

Opportunities

Opportunities that were discussed for further improvements in engagement with Teck Coal’s CoI and long-term sustainability in the region include:

- Creating a formal Teck Coal CoI Panel;
- Building more formalized engagement mechanisms to maintain relationships and institutional knowledge, so these relationships are not lost if individuals leave or change roles;
- Ongoing engagement on the sustainability of coal mining to ensure sufficient resources for the future;
- Greater engagement between the municipalities and the Ktunaxa Nation;
- Some CoI would like more frequent engagement with Teck (i.e., monthly meetings);
- Continued engagement founded on dialogue, information sharing, and building trust that leads to accountability and transparency;

- Identifying further opportunities to engage effectively on substantive issues (e.g., sustainable mining principles in the region – i.e., what does the broader community stand for and how are we doing against this vision?);
- Working together to undertake world class mining and world class nature valuation (in one of the most important wildlife corridors in the world) and then share this story with the world; and
- Dedicating of a portion of profit to long-term sustainability in the region.

6 Tour of Elkview Mine, Sparwood, BC

Teck Resources is the world's second largest exporter of seaborne steelmaking coal (i.e., coal that is exported to Asia, Europe and South America to make steel), with five mines in British Columbia and one in Alberta. Teck wholly owns the Coal Mountain, Cardinal River, Fording River and Line Creek mines, and has a 95% partnership interest in the Elkview mine and an 80% joint venture interest in the Greenhills mine.

The Elkview mine is an open pit coal mine located approximately three kilometres east of Sparwood in southeastern British Columbia, comprising 27,054 hectares of coal lands of which approximately 4000 hectares have been mined or are scheduled for mining. Teck has a 95% partnership interest in the Elkview mine. The remaining 5% is held equally by Nippon Steel Corporation and POSCO, a Korean steel producer, each of which acquired a 2.5% interest in 2005 for US\$25 million. The current annual production capacities of the mine and preparation plan (on a 100% basis) are approximately 5.6 million and 6.5 million tonnes of clean coal, respectively. At 2010 production rates, the Elkview mine is estimated to have a remaining reserve life of approximately 41 years.

Cory Takenaka of the Elkview mine delivered a presentation and led the COI Panel on a tour of the Elkview mine. Teck's presentation on Elkview mine will be provided to the COI Panel under separate cover.

7 Future Panel Meetings

The date of the next COI Panel in-person meeting was not discussed at the September 2011 meeting; however, MAC has scheduled the meeting to coincide with the 2012 Prospectors & Developers Association of Canada (PDAC) Convention. The full-day meeting is proposed for **Wednesday, March 7, 2011** at the Novotel Toronto Centre in **Toronto, ON**.

8 Meeting Evaluation

No evaluation forms were completed by any of the Panel members. Panel members evaluated the Panel Meeting through three alternative mechanisms:

- Submission of post-meeting written comments (1 member);
- Provision of feedback through follow-up calls or emails with Panel facilitator (2 members); and
- Provision of comments during the COI Panel meeting (as required).

Panel Member Evaluation of the Meeting

One Panel member noted that the September 2011 meeting was one of the better meetings in the history of the Panel because of the location of the meeting and the opportunity it provided for contact with real-world issues. Comments specific to various components of the meeting include:

- **Meeting Topics:** One participant noted appreciation in having discussion on mining issues that stepped away from TSM indicators. Another participant indicated that the activities on September 21, 2011 (i.e., the meeting with Teck's Communities of Interest and the tour of Teck's Elkview Operations) were some of the most stimulating topics in the history of the COI Panel. A third participant indicated that activities such as the breakfast with Teck's CoI could be a new effective and efficient way for the COI Panel to engage around TSM and that further debate is needed within the COI Panel to determine the role of the Panel in engaging and communicating about TSM.
- **Meeting Facilitation:** One participant indicated a preference for: a) full group discussions, rather than smaller group discussions, which can change discussion dynamics; and b) maintaining the practice of allowing participants to choose their own seats, rather than assigning seating, as was done at this meeting. Another participant also indicated a desire to reach an outcome from meeting discussions (i.e., a set of recommendations) so that they could be acted on immediately following the Panel meeting. A third participant noted that insufficient time was allocated to some of the agenda items, and that greater time may be needed for future discussions (resulting in fewer agenda items per meeting).
- **Action Item Follow-Up:** One participant requested that progress on new and outstanding action items be tracked and reported against from meeting-to-meeting.
- **Phone Participation:** One participant indicated that navigating large time zone differences in order to participate in COI Panel meetings by phone is challenging and that there is no replacement for participating in the meetings in-person.

Appendix 1: List of Participants

NAME	TITLE AND ORGANIZATION
Dan Benoit	Métis National Council
Richard Briggs	President, Mining Council, Canadian Auto Workers
Barrie Ford	Makivik Corporation
Ginger Gibson	Individual member
Larry Haber	Executive Director, Kimberley Community Development Society
Brenda Kelley	Community Development Coordinator, Bathurst Sustainable Development
Christy Marinig	CEO, Timmins Economic Development Corporation
Alan Penn	Lands and Environment Science Advisor, Cree Regional Authority
Pierre Gratton	President and CEO, Mining Association of Canada
Anne Marie Toutant	Vice President, Mining, Suncor Energy Inc.
Ian Pearce	CEO, Xstrata Nickel
REGRETS	
Roger Augustine	Assembly of First Nations, Regional Chief, NB/PEI
Stephen Kibsey	Senior Portfolio Manager, Caisse de Dépôt et Placement du Québec
Soha Kneen	Inuit Tapiriit Kanatami
David Mackenzie	United Steelworkers of America
Eric Morris	Assembly of First Nations, Regional Chief, Yukon
Alan Young	Director of Corporate Programs, Canadian Boreal Initiative
Doug Horswill	Senior Vice President, Environment and Corporate Affairs, Teck Resources Limited
Craig Ford	Vice President, People and Environment, Inmet Mining Corporation
OTHER ATTENDEES	
Zoë Yujnovich	President & CEO, Iron Ore Company of Canada
Manon Beauchemin	VP, External Relations & Corporate Affairs, Iron Ore Company of Canada
Damian D'Aguiar	General Manager, Environment, Iron Ore Company of Canada
Jonathan Fowler	VP, Aboriginal Affairs and Sustainability, De Beers Canada Inc.
David Putnam	Director, Safety Health & Environment, De Beers Canada Inc.
Nic Milligan	Manager, Community and Governmental Affairs, Teck Coal Limited
Sharon Strom	Coordinator Sustainability, Teck Coal Limited
Julie Gelfand	Vice President, Sustainable Development, Mining Association of Canada
Michael van Aanhout	President, Stratos Inc.
Vicky Weekes	Senior Consultant, Stratos Inc.