

Statement from the Community of Interest Advisory Panel

The Community of Interest (COI) Advisory Panel is an independent, multi-interest group comprised of individuals from Aboriginal groups, communities where the industry is active, environmental and social NGOs, and labour and financial organizations. Several representatives of the MAC Board of Directors sit on the Panel as ex-officio members to provide a mining industry perspective to the discussions. The Panel serves as a platform for communities of interest and MAC members to discuss and collaborate on issues of mutual concern.

 [Read more about the COI Panel at www.mining.ca/tsm](http://www.mining.ca/tsm)

This Panel Statement serves as an independent reflection from the non-industry members of the COI Panel on key areas of interest and progress since the previous statement. It covers the October 2015 meeting in Saskatoon, the March 2016 meeting in Toronto and all interim activities.

This year, the Panel established task forces to take a more proactive role in setting the meeting agendas and advancing work on key areas of interest.

This statement provides an overview of the following topics:

- Climate change (led by a Panel-driven task force)
- Effectiveness of community engagement (led by a Panel-driven task force)
- Tailings (as reported on by a COI Panel member who sat on the Independent TSM Tailings Management Review Task Force)
- Summary of the Post-Verification Reviews of Taseko Mines Limited and Agnico Eagle Mines Limited

COI PANEL TASK FORCE ON CLIMATE CHANGE

The COI Panel has been very active this past year with a continued focus on climate change-related activities. In October 2015, two Panel members led an introductory discussion on climate change. The Panel engaged in a 'blue sky' thinking exercise to challenge and encourage MAC and its members to take a more holistic and long-term approach to climate change, as understood by COI Panel members. Panel members also had the opportunity to learn about current and future innovations by MAC members to address climate change.

Climate change was also a central focus of the Panel at its March 2016 meeting. Set in the context of a new federal government with renewed commitments to addressing climate change, including the creation of a national action plan with the provinces and territories and the adoption of the historic Paris Agreement, the Panel focused on challenges and opportunities for MAC. Four experts joined the meeting for an engaging discussion on climate change opportunities for the mining industry, with presentations from Toby Heaps (Corporate Knights), James Larson (Advanced Energy Centre, MaRS Discovery District), Steve Coupland (Canadian Nuclear Association), and Nicholas Séguin (TUGLIQ Energy). The Panel also viewed a short video on Glencore's wind turbine installations at its Raglan mine in northern Quebec. This project was subsequently the winner of the 2016 TSM Environmental Excellence Award.

MAC provided an opportunity for Panel members to provide feedback on the association's *Principles for Climate Change Policy Design*, including a call for carbon pricing, which was publicly released in April 2016. The Panel task force on climate change drafted and shared its own Panel Advisory Statement on Climate Change during the October meeting. Panel members reviewed the statement and shared their substantive comments. The goal of this statement is to provide MAC and its members with a concrete understanding of the opportunities the COI Panel sees regarding MAC member engagement on climate change in six main areas: operations, local and Indigenous communities, supply chains, public and policy engagement, disclosure of climate risks and opportunities, and the TSM program. This statement will encourage MAC to view its work through a more articulated climate lens, including mitigation, adaptation and resiliency. The advisory statement, which was publicly released in November 2016, can be found on page 11 of this report.



EFFECTIVENESS OF INDIGENOUS AND COMMUNITY ENGAGEMENT

The COI Panel continues to discuss the TSM indicators and has taken an interest in looking closely at how to measure the effectiveness of management systems, beginning with the Aboriginal and Community Outreach Protocol. In 2015, four Panel members worked together informally between the October and March meetings to think critically about how to measure the effectiveness of Indigenous and community engagement systems. The objectives are to review the current TSM indicators, how they are measured and reported, gauge their effectiveness, and to recommend improvements if necessary. Overall the intent is to ensure the TSM framework enables companies to be effective in Indigenous and community engagement by providing methods to conduct, measure and report on their activities.

The COI Panel supported the objective that this work continue in 2016, with a view to presenting firm recommendations at the fall COI Panel meeting.

TAILINGS

Tailings has been an important and ongoing topic of interest for the Panel, particularly since the Mount Polley tailings dam failure in 2014.

Throughout 2015, Alan Young, a long-time Panel member who recently stepped down, participated in the Independent TSM Tailings Management Review Task Force. In the aftermath of Mount Polley, the group was asked to examine whether or not the TSM requirements could be modified or strengthened to help meet the goal of zero major incidents. Over the course of six months, the Task Force examined the TSM Tailings Management Protocol and accompanying guides and provided recommendations to MAC on how to improve tailings management and performance requirements. The Task Force also looked at how to improve engagement with affected communities on tailings-related issues and how to ensure the protocol and guides deliver greater transparency and accountability. The Task Force's 29 recommendations can be found in its final report found at www.mining.ca/reports. MAC's Board of Directors accepted all recommendations and has committed to reporting progress on their implementation as changes are made. The COI Panel will be monitoring this progress and will provide its guidance going forward.

In addition to devoting the entire March 2015 meeting to the topic of tailings (as described in the previous year's Panel Statement), the COI Panel selected tailings as a key issue to probe during the 2015 Post-Verification Reviews of Agnico Eagle Mines Limited and Taseko Mines Limited at the October 2015 meeting (as discussed below).

The Panel also spent time at the March 2016 meeting reviewing the Task Force's recommendations and providing advice on two specific recommendations:

1. How to organize the aspects of community engagement across the protocols; and
2. whether to remove Levels C and B from the tailings management protocol and/or require facilities not yet at a Level A to develop action plans to achieve that level or higher.

OVERVIEW OF THE PANEL'S POST-VERIFICATION REVIEW AND THE VISIT TO CAMECO'S OPERATIONS

2015 Post-Verification Review

A key part of the COI Panel's mandate is to take part in the Post-Verification Review (PVR) process. The purpose of the PVR is to test a sample of companies' verified TSM results to see whether and how facility systems are leading to performance improvement and to discuss key issues of interest to the Panel. This exercise has been, and continues to be, a valuable opportunity for Panel members to examine site and company-specific information, not only for the evaluation of TSM scores, but to improve the Panel's overall understanding of the successes and challenges facing companies in specific mining sectors. In 2015, the Panel selected Taseko Mines Limited and Agnico Eagle Mines Limited to participate in the PVR process. View the PVR report at www.mining.ca/reports.

Taseko has a single operating mine, the Gibraltar mine, that it purchased in 1999 as a closed operation and reopened it in 2004. Located near Williams Lake in the interior of British Columbia, it is the second largest open pit mine in Canada and produces copper and molybdenum. Taseko has undertaken a significant modernization process since reopening the mine and is acquiring the experience of implementing the TSM indicators and developing working relationships with Williams Lake and other neighbouring communities as part of this process. The company indicated its active interest in working with MAC on the issues involved in community relations and community engagement.



Taseko has several other exploration and development projects in British Columbia, including the New Prosperity Project. Taseko, like other mining companies operating or planning to operate in British Columbia (and perhaps elsewhere) has a direct interest in the recent ruling of the Supreme Court of Canada in the Tsilhqot'in Nation decision, and its implications for the recognition of Aboriginal title.

Agnico Eagle Mines Limited, in contrast, operates a number of mines both in Canada and overseas, and specializes in gold production. Its operations in Northwest Québec (the Malarctic mine and other operations) and in Nunavut (the Meadowbank mine and Meliadine project) are particularly relevant in the Canadian setting. In Northwest Québec, Agnico Eagle, although a relatively recent arrival, is operating in a region with a complex history of mining extending back to the early years of the 20th century. The social, economic and cultural issues associated with that history, including relationships with Indigenous communities, are an important part of that history and are relevant to the work of the COI Panel. In the case of Meadowbank (and probably Meliadine, in the coming years), Agnico Eagle is acquiring significant experience with mining in the new institutional and cultural setting of Nunavut, and is in a position to explore and discuss many of the issues associated with Impact and Benefit Agreements (IBAs) and their implementation.

The Panel's PVR working group selected the following key topics to explore with both companies:

- **Effectiveness of Aboriginal and community engagement:** Even if companies have systems in place to engage communities, how do you know they are working? How can you measure the effectiveness of your engagement activities?
- **Climate change:** Many Panel members wanted to see more action on climate change from companies – from being more visible in their efforts and support in the fight against climate change, to better planning for climate change.
- **Tailings:** Considering that Taseko's Gibraltar mine is close to the Mount Polley mine, the Panel wanted to know how Taseko managed in the aftermath of the incident and how it planned for tailings management for the long-term (in perpetuity).
- **The value of TSM:** How do companies ensure that TSM is actually adding value?

October 2015 Meeting in Saskatoon and Northern Saskatchewan

Since 2011, the Panel has met in important mining regions across Canada for the fall meeting. This year, the Panel met in Saskatoon in October and was hosted by Cameco.

The Panel visited Cameco's McArthur River and Key Lake operations in northern Saskatchewan and met with a number of Cameco's local communities of interest in Saskatoon. This was the first direct opportunity the Panel has had to familiarize itself broadly with the social and economic issues associated with contemporary uranium mining. Substantial employment drawing from Cree, Dene and Métis communities is a notable feature of these operations, and the company relies on complex 'fly in and fly out' arrangements with some 30 communities. The complex range of social and economic issues are addressed in a number of reports and continuing programs that were of interest to the Panel, among which we should single out the Community Vitality Monitoring Partnership (CMVP), which the Panel heard about during its meeting with local stakeholders and is an interesting partnership model worth exploring. Beyond the social and economic issues, it is also clear that environmental issues are central in the exploration of relationships between the uranium mining industry and communities, although environmental issues were not the primary focus of this site visit. A full report on our October 2015 meeting can be found at www.mining.ca/reports.

CONCLUSIONS

This year marked an evolution towards a more engaged and involved COI Panel. Panel members came forward with their own ideas and approaches for tackling issues of interest such as effectiveness of community engagement and climate change, and took a more active role in designing the meetings and facilitating specific sessions.

Moving forward, we will continue to advance these issues, with hopes that we can support and improve performance in the mining industry, and will reflect on this new approach at the upcoming meeting in October 2016.



TSM Community of Interest Advisory Panel

| COI PANEL CATEGORY | | INDUSTRY REPRESENTATIVES (EX-OFFICIO) |
|---|--|---|
| Social NGOs, including faith-based groups | Individuals who represent civil society with knowledge of social justice issues. | Joy Kennedy |
| Media/communications | Individuals with expertise in the reputation of industry and perceptions of the public. | Claudine Renaud* |
| Aboriginal peoples | Individuals who represent the interests of Métis, First Nations and Inuit. | Dan Benoit Chief Earl Klyne Theresa Hollet |
| Environmental NGOs | Individuals with environmental expertise and advocates for environmental protection. | Alan Young* Nathan Lemphers |
| International development | Individuals with expertise in alleviating poverty and improving the standard of living through responsible development. | Philip Oxhorn |
| Economic/community development | Individuals with expertise in business development at the community level and knowledge of community interactions with mining facilities. | Tim Johnston Chief David Walkem |
| Finance/investment | Individuals with financial expertise and knowledge of socially responsible investing. | Stephen Kibsey |
| Labour/workforce | Individuals with knowledge of the interests, safety and needs of workers. | Doug Olthuis |
| Expert category | The Panel may choose to select expert categories to be filled as specific issues are identified. | Alan Penn* Luc Zandvliet Maya Stano** |
| Industry representatives (ex-officio) | Industry participation comprises four MAC Board members, one representative of the exploration sector, and the MAC President and CEO. Additional MAC Board members are strongly encouraged to regularly sit in as observers. MAC staff members also participate as resource persons. | Pierre Gratton Louise Grondin* Scott Yarrow Peter Read Mark Travers* Cory McPhee** Glen Koropchuk* Mark Wiseman** Michel Julien** |

*Left the COI Advisory Panel in 2016

**Joined the COI Advisory Panel in 2016

