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Northern Mineral Development

We All Need to Have Skin in the Game



Outline

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Summary



Summary

We All Need to Have Skin in the Game

- Mine development (inclusive of exploration) is a key element in Nunavut's social and economic development
 - Nunavut's Mining Strategy, Nunavut Land Claim Agreement
- There are many challenges to mineral development in Nunavut
- It is incumbent upon all stakeholders to "enable" the industry
- Cooperation and inter-connectedness is a northern trait
- We suggest a number of ways that stakeholders can further contribute positively to the industry's success
- A successful northern mining industry is in all of our interest

Setting the Context



Setting the Context

History of Northern Mining

- Northern mineral development - 100+ years of heritage
 - Yukon's Klondike gold rush (1896)
 - Yellowknife gold camp (1930s)
 - Nunavut's Rankin Nickel Mine (1950s)
 - Nunavut's Lupin, Polaris and Nanisivik Mines (1970s)
- Unfortunately, some environmental legacies were left behind in the north (mainly Yukon, NWT) as were elsewhere
- It's mining's dirty history that has turned it into a leader in environmental stewardship today.

Setting the Context

Relatively New Regulatory Environment

- Nunavut Land Claim Agreement
 - Established northern regulatory agencies
 - Land use planning – Nunavut Planning Commission
 - Environmental review – Nunavut Impact Review Board
 - Water licensing – Nunavut Water Board (based on NWT Water Board)
 - Draw from existing federal and territorial agencies as reviewers/interveners
 - All these processes emphasize:
 - Incorporation of Inuit knowledge
 - Heavy doses of consultation
 - Sensitivity to northern values, aspirations and concerns
 - Maximizing the involvement and benefit of Nunavummiut



Opportunities and Challenges



The Opportunities

A land rich in resources

- Land is underexplored, bedrock is at or close to surface \Rightarrow low hanging fruit for geologists
- Politically stable environment; settled land claim
- Opportunity to develop trust-based relationships
- Mining represents tremendous opportunities:
 - Incomes to Nunavut Tunngavik Inc. (NTI) and Regional Inuit Associations (RIAs) - royalties on minerals, aggregate and land use
 - Benefits to RIAs through Inuit Impact and Benefit Agreements (IIBAs)
 - Incomes to the Nunavut Government – corporate, income and payroll taxes
 - Infrastructure development
 - Capacity building – development of human capital through employment, education and training
 - Alleviation of poverty
 - Empowerment

The Challenges

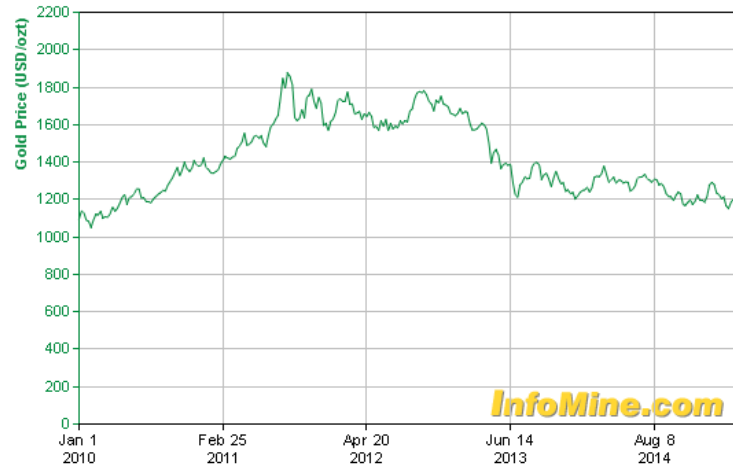
A land limited in infrastructure and information

- Remote - limited transportation infrastructure
- Paucity of pre-existing geological and environmental data
- Communities - limited experience with industrial development
- Lengthy, cold winters – slows production
- Short windows for mobilization – open water sealifts, winter roads
- Regulatory processes - prioritize extensive consultation, traditional knowledge collection, northern participation and IIBA negotiation
- Northern mineral exploration and development is expensive!

The Challenges

Current commodity prices

Gold Price
1,200.57 USD/ozt
14 Apr '15



Iron Ore Fines Price
62.81 US\$/t
28 Feb '15



Copper Price
2.75 USD/lb
10 Apr '15



Nickel Price
5.71 USD/lb
10 Apr '15



Lead Price
0.91 USD/lb
10 Apr '15



Zinc Price
1.00 USD/lb
10 Apr '15



The Stakeholders



Stakeholders

Who Are the Stakeholders?

Those individuals or groups who have the potential to affect, or be affected by, the performance of a Project

Responsible mining:

- *Finding the right balance between interests*
- *Maximizing the collective benefit*
- *Minimizing undesirable outcomes*



What Can be Done?



What Can be Done?

7 Habits of Highly Effective People (Stephen Covey, 1989)

Independence

- 1 – Be Proactive
- 2 – Begin with the End in Mind
- 3 – Put First Things First

Interdependence

- 4 – Think Win-Win
- 5 – Seek First to Understand, then be Understood
- 6 – Synergize

Continuous Improvement

- 7 – Sharpen the Saw

What Can be Done?



What Can be Done?

Spend a proponent's money as though it was your own

With respect to engagement, documents, processes, mitigation measures, and monitoring programs:

- The default can be to focus on quantity
- Effort to be “comprehensive” and to not miss anything
- Stakeholders must understand that a company's resources are limited
- We need to focus more on content and quality, and de-emphasize volume

What Can be Done?

Environmental assessment: focus on what's really important

...and use best management practices for the rest.

- Practitioners and regulators are reluctant to exclude anything, and thus EA reports focus on everything
- Mackenzie Valley Environmental Impact Review Board (MVEIRB) in the NWT – “key lines of inquiry” and “subjects of note”
- Well-understood impacts and mitigation measures common to all mining projects - identify and commit to best practices, and track commitments
- More streamlined EA documents
 - Will reduce the burden on proponents
 - The documents will be more readable and accessible to communities

What Can be Done?

Synergize processes

- Time is money (response times, review periods, coordination)
- Coordinated processes currently have limited overlap
- Time savings for NIRB-NWB coordination – roughly 2 to 3 months
- The Nunavut Land Claims Agreement (Section 13.5.2)
 - *The NWB and the review body shall coordinate their efforts to avoid unnecessary duplication in the review and processing of the application.*
 - *Legislation may provide for joint hearings or authorize the NWB to forego public hearings on any water application where it has participated in a public review of the relevant water application pursuant to Article 12.*
- Encourage AANDC and the Institutes of Public Government to pursue the development of such legislation

What Can be Done?

Impact and benefit agreements: think win-win

- Negotiation of Inuit Impact and Benefit Agreements (IIBAs) can be long and expensive
- Does a long and expensive process lead to better outcomes?
- Is it possible to reach the same outcomes faster and at lower cost?

Closing



Closing

- Grateful to be part of the mineral development community in Nunavut
- Mining represents huge potential for Nunavut's social and economic growth
- Great stuff is happening here – with respect to projects, processes and people
- Stephen Covey's 7th habit – Sharpening the Saw – Continuous Improvement
- Let's find ways to:
 - Maximize opportunities
 - Overcome challenges
 - Support a mining industry important to Nunavut's future

A close-up photograph of two men in business suits shaking hands. The man on the left is wearing a grey suit jacket and a light blue shirt. The man on the right is wearing a grey pinstriped suit jacket and a white shirt. The background is blurred, suggesting an office or business environment.

Q&A

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