
Government of Newfoundland and Labrador Minerals Strategy
Key Points Summary – Teck Duck Pond Operations
April 15, 2011

Operating responsibly and sustainably is a core value at Teck. For us, this is embodied by three core principles: Safety, Environment and Community Engagement. With the release of a *Minerals Strategy for Newfoundland and Labrador – Discussion Paper*, it was clear that these principles are shared with the province and Duck Pond Operations was pleased to participate in the community consultation process and Minerals Strategy Workshops in recent months.

In the pages that follow, in question and answer format for ease of reference, we put forth information in response to *Questions for Discussion: Summary* of the Minerals Strategy Discussion Paper of February 9, 2011.

Promotion and Investment Attraction

How can government best aid in promotion of the minerals sector?

A thriving mining and exploration sector can be driven by a combination of grants, partnership arrangements and tax incentives. Many secondary benefits flow from these sectors so government could consider evaluating the mineral potential of various regions within the province and market them to prospective companies and fund initiatives accordingly.

Mining and exploration companies should be certain that if they spend money in the exploration for minerals that they have a reasonable chance of being able to exploit / sell any discoveries made - an example being uranium in Labrador.

Exploration and Development Incentives

How can government encourage increased levels of mineral exploration and development?

By doing the above, but also by building access infrastructure. In addition, increased levels of support to the “grass roots” exploration through increased grants to prospectors, increased write-offs for eligible exploration costs and increased spending in the performance of regional-level geological / geochemical / geophysical surveys for public use.

Prospector Assistance

What could be done to further develop prospecting in the province?

Assign Government geologists to increase their contact with prospectors, visit their showings, give advice on the geology and suggest how to move their prospects ahead. Position such geologists in Central and Western Newfoundland, as well as Labrador (in the summers) to enhance such interactions. As well, provide companies financial incentives to hire prospectors, so that they could get valuable training and experience. Increased levels of technical support – geological / geochemical / geophysical would also prove beneficial.

Public Geoscience

What is the appropriate level of geoscience activity to satisfy the needs of the mineral sector, and government’s goals and objectives?

Increase funding of field programs for government geologists (both mappers, and mineral deposits types) to extend their field work. Additionally, establish several key specialized “deposit type” geologist positions to give opportunities for growth of real expertise and research/development in government, to facilitate discoveries. The government can gauge the requirement by looking at the levels of spending in various mineral sectors in the province, country and world and adjust/allocate effort to reflect these trends.

Infrastructure

What are the key infrastructure needs for further mining development and exploration?

Upgrade and extend the “Resource Roads” in Central Newfoundland area to enhance access and minerals exploration, access to transportation including roads and ports and access to reliable power. In terms of computer-based infrastructure, claim staking, assessment filing/reports, compilation information and technical reports would prove beneficial.

Regulation and Legislation

Are there any issues with the current regulation and permitting process for mineral exploration, mine development and quarry development?

The process could be improved by aligning various government departments when reviewing permit applications to ensure efficient and timely decision making to support key sector activities. Harmonization opportunities should also be explored at both provincial and federal levels particularly as it relates to environmental assessment.

Access to Land

How can the need to protect land for ecological reasons be balanced with mineral exploration's need for access to land?

Multi-use of lands must be encouraged. This can be facilitated by tightening up regulations for exploration and development in sensitive areas without resorting to total and permanent restriction of access to these lands.

Research and Development

What can be done to stimulate more research and development in the mining and mineral exploration sector in the province?

Make funds available (on a cost-shared basis) to exploration and mining companies to resource, develop and research key initiatives to enhance discovery success. Tax write-offs for companies supporting research at the university level would also benefit/assist these companies in their exploration efforts. Increased provincial support to geological departments of local universities as well as increased government support of the provincial geological survey group would also encourage more research and development.

What should be the focus of mineral sector research and development in the province?

Similar to the recent Newfoundland West Coast government-industry oil drilling partnership, government should consider cost share "stratigraphic" drilling in areas of high promise for deep (>500m depth) mineral deposit discovery (e.g., Lemarchant, Buchans, or in the Tulks and Long Lake Volcanic belts).

A wealth of quality industry lithogeochemical data (major and trace elements) exists for the Victoria Lake Supergroup and Buchans/Robert's Arm belt (and elsewhere). With the cooperation of individual stakeholders, this data should be collated and evaluated by experts on the lithogeochemical signatures of "fertile" Volcanogenic Massive Sulphide alteration zones. This would help companies focus their exploration efforts and enhance their success frequency. The results of this work should become publically available for the benefit of current and future property holders.

Government could monitor levels of spending in various mineral sectors in the province, country and world and adjust/allocate effort to reflect these trends i.e.: if it is expected that world demand for a given mineral/commodity is going to be going up, focus/direct a portion of the funding towards the geological sciences necessary to explore for – and develop- this mineral or commodity.

Developing New Resources

How can discovery rates for mineral deposits be maintained or improved?

Provide a competitive investment climate via amenable regulation, tax incentives, enhanced research incentives, government-industry partnerships, enhance economic geology training of geology students, and increase government geologist interactions with prospectors. Additionally, increased geological survey support funding and the provision of favorable taxation/write-off regime to attract more investors would prove beneficial.

What can be done to diversify the minerals industry in the Province?

Focus on getting the message out to potential “offshore” exploration/mining companies on the varied mineral potential of the province. Potentially target specific major companies with information packages tailored to their core commodities of interest, and assign qualified staff to follow-up and continue the “sell”. Also continue to promote the “mining friendly” environment of the province.

Taxation

Does the current tax regime strike the right balance between providing appropriate revenue to the province while remaining competitive in the global mining industry?

Considering the significant up-front risk undertaken by the investor and recognizing the Province’s quest for mineral industry development, a way to reduce the effective tax burden on investors would be through increased write-offs for exploration and development expenses.

Benefits

Does the province obtain its fair share of benefits from mining and if not how can this be improved?

Wherever economically feasible evaluate the potential to get “value added” processing of mineral resources in the province. The province gains significant funds through direct taxation of mining revenues as well as through indirect taxation through worker’s (and indirect support worker’s) income taxes as well the taxes resulting from the sale of goods and services to the industry.

Training, Education and Work-force Issues

How can the minerals sector aid community development, especially in rural and remote regions?

The minerals sector makes a strong contribution to local communities, through employment, taxation, training, purchasing of goods and services, monetary contributions, etc. This is a natural reciprocal arrangement which benefits both communities and companies.

Furthermore, by directly supporting community college programs by supplying technical expertise i.e. lecturers, and by providing areas and equipment for the training of students, the minerals sector becomes actively involved in developing the human resources it requires. Participation in apprenticeship programs also provides students with the required practical exposure. Their ‘wages’ can be offset by government participation.

Community development in rural and remote areas can be enhanced through community engagement – starting with the Environmental Impact planning process. Rural demographics are identified through this process and strategies can be developed for providing education and training opportunities to supplement a workforce. Operations in rural and remote areas equate to development of infrastructure in terms of road access and electrical power which in turn can be attractive incentives to other industries. In addition to infrastructure, employment opportunities, economic spinoffs and housing developments are positive factors in community development.

How can we continue to improve the opportunities for women and Aboriginal people in the minerals sector?

The provincial education system is a prime way to highlight mining industry opportunities. Conduct comprehensive “career days” or school visits of industry professionals to increase understanding of the challenges and rewards of working in this industry with a focus on opportunities for women and Aboriginal people.

Participation in annual Women in Mining events to engage with young women and high school students through presentations and question and answer dialogue sessions also provide educational opportunities. These annual sessions showcase the types of employment available in the industry as well as the benefits and compensation available to women.

Additionally, through the support of college programs for women such as the “Introduction to Trades and Technologies” program. This program enables women to learn about non-traditional training and employment opportunities. The women who participate in the program are exposed to numerous industrial settings including the mining sector.

Attracting women and Aboriginals to the workforce may alleviate the anticipated skilled labour shortage in the minerals sector. Incentives to fund specific job training for the industry may help increase the interest of women and Aboriginals to consider working in mining professions. Opportunity exists for educational institutions, industry and government to partner to highlight the demand for skilled workers, provide the necessary education and on the job training for mutual benefit.

Health and Safety

Are current safety standards in the provincial mining industry adequate?

Provincial statistics suggest that the mining safety standards in Newfoundland are indeed adequate, however, some of the new regulations, such as vent requirements for diesel engines, appear to be somewhat limiting. We must remember that these standards are minimal requirements and are often exceeded at the administrative level so statistics might not be a valid indicator of adequacy. Policies and procedures at the workplace often go beyond legislation to ensure safety and health.

We must also consider that these regulations came into effect in the 1950’s with very few amendments since that time. Updating to reflect current OHS regulations (revised in 2009), current codes and standards, and making them more streamlined and user friendly through the provision of clearer direction of the minimum health and safety requirements would be a positive improvement. If all levels of workforce in the industry have opportunity to provide input it would strengthen the standards

A Mine Safety Committee has recently been formed as a standing committee of Mining Industry NL to assist all operations in their goal of achieving zero harm.

Social Licence

What can the minerals sector do to ensure it has the support of communities in its operations?

A key factor in gaining the support of communities is to understand and address their needs and concerns. This involves identifying communities of interest and developing engagement plans – extending beyond municipalities that border an operation and regulatory bodies responsible for permit requirements, to special interest groups that may be impacted by exploration, mining and processing activities. The minerals sector must communicate to understand the viewpoints of communities and transparently inform them of company activities and performance and actively engage them in dialogue and participation on issues of concern. This can be accomplished through public information sessions, sustainability reporting, tours of operations and facilities, and the facilitation of effective response systems. Financial, language and cultural concerns must be considered throughout the process so that all communities of interest have opportunity to participate in engagement processes. Stakeholders should maintain open communications with local municipalities, present periodic updates on issues potentially affecting the community, be receptive to community concerns, and be proactive with local preference policies. Regular meetings with all stakeholders in the area to outline current and future plans and provide updates on challenges facing a project/operation also facilitates a relationship of mutual understanding. The minerals sector must demonstrate that it is proactive as opposed to reactive so that communities establish trust, gain knowledge and in turn support initiatives and operations.

How can the public be engaged in appropriate and ongoing dialogue about mineral development?

Industry stakeholders and government must increase efforts to publicize the positive contributions of the mining and exploration industries to the local economy, by advertising, holding of conferences, etc. This can be done in part by targeting the young, with awareness campaigns in schools (presentations by industry, university and government geologists), developing videos for distribution in schools, development of school minerals kits and literature, enhancing geology/mining related teaching in classes (e.g. in science, geography, earth science courses), and publicizing career opportunities in later grades. The public can further be engaged through response mechanisms that facilitate communication with respect to complaints and issue based questions as well as public forums such as the Minerals Strategy Community Consultations.

Outreach

Is the public sufficiently informed about the minerals sector and if not how can communications be improved?

No. See response under *Social License* above.

The interested public is provided with ample opportunity to inform itself of the goings-on of the industry through the attending of the various mineral and mining conferences held each year. Localized interests – for projects in a given area – should be informed via communications sessions held by industry and government.

Advancements have been made in terms of outreach initiatives recently. However, many of these initiatives have been undertaken in larger centers. Communications can be improved by targeting rural areas of the province where mining has been a traditional way of life and where youth can be informed about advancements in technology, safety and employment opportunities. Mining companies work closely with provincial and federal regulators to ensure stringent environmental and occupational health and safety standards are met. Mining is an evolving, sustainable industry and more comprehensive public outreach programs will be key to public understanding and the future of the minerals sector throughout Newfoundland and Labrador.

Environmental Protection and “Green” Mining

How can the environmental impact of the mineral sector be further reduced?

Government programs and incentives to increase levels of recycling, reduce wastage, reduce specific energy consumption.

How can the implementation of “green” mining initiatives be further encouraged?

Green mining initiatives can be further encouraged through participation in Mining Association of Canada’s Towards Sustainable Mining initiative.

Orphaned and Abandoned Mines

How should orphaned and abandoned mine sites be dealt with?

If mine sites are already orphaned and abandoned, the only recourse is for government to allot funds to clean up the sites. These sites must be identified, classified and prioritized based on level of risk to health and safety and risk to environment. Funds would have to come from government with possible participation by industry

Climate Change

What actions can the minerals sector undertake to adapt to changing climate conditions and reduce GHG emissions? How can government support the industry in dealing with this issue?

Government can help through provision of technical expertise as well as to assist by defraying initial study and implementation costs.