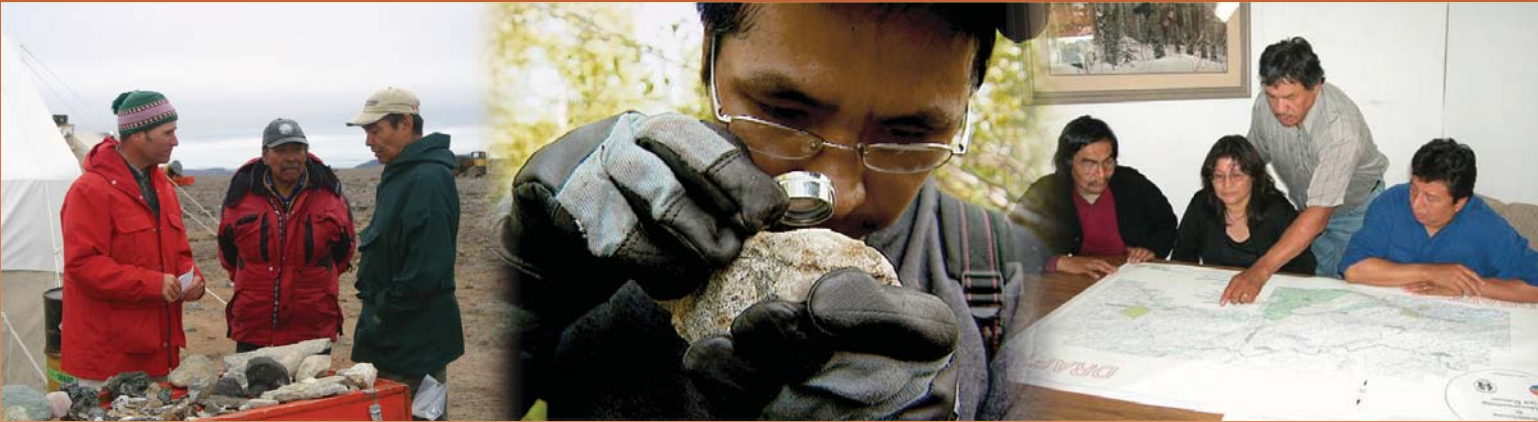




Aboriginal Engagement in the Mining and Energy Sectors

Case Studies and Lessons Learned



2008 Report to Energy and Mines Ministers

Aboriginal Engagement Task Group of the
Intergovernmental Working Group on the Mineral Industry

DISCLAIMER

The Compendium of case studies has been prepared on the basis of information provided at the time of writing by federal, provincial, and territorial representatives of the Intergovernmental Working Group on the Mineral Industry (IGWG). The Aboriginal Engagement Task Group (ATG) makes no warranty of any kind with respect to the content and accepts no liability, either incidental, consequential, financial or otherwise, arising from the use of this document. The views expressed in this publication do not necessarily reflect those of the ATG and IGWG.

Table of Contents

INTRODUCTION 1

CASE STUDIES 3

A Provisional Template for Best Practices for Government
Geoscience Activities in Nunavut: Developing Relationships
With Inuit Communities and Organizations3

Best Practice: Consultation Protocol With First Nations: The Mi'kmaq-
Nova Scotia-Canada Consultation Terms of Reference7

Perspectives on Some Practices Related to Aboriginal-Government Engagement9

The Upper Similkameen Indian Band/B.C. Ministry of Energy, Mines and Petroleum
Resources Mining and Minerals Protocol Agreement13

Aboriginal Consultations Under the ecoENERGY for Renewable Power Program15

Relations With Local Communities: The Case of Virginia Mines
and the Cree Communities.....17

Crowflight Minerals Inc. - Bucko Lake Mine19

Victor Diamond Project: Example of First Nation Participation
in Environmental Assessment.....21

Taltson Hydro Expansion: Building Relationships: The Approach
to Energy Development in the Northwest Territories.....23

Birch Mountain Resources Ltd.: The Hammerstone Project Limestone
Quarry and Processing Plants in the Heart of Alberta's Oil Sands.....25

Shell's Athabasca Oil Sands Project.....27

The Voisey's Bay Project: An Example of Successful Aboriginal Engagement
in Newfoundland and Labrador31

Raglan Mine - Quebec: An Agreement Designed to Harmonize Relations and Foster
Opportunities Between Xstrata Nickel and the Local Aboriginal Communities.....33

Uranium Mining in Saskatchewan.....37

The Minto Mine Project: An Example of Successful Partnering Between First Nations, Government and Industry.....	39
The Restoration of Abandoned Mining Exploration Sites in Northern Quebec: A Partnership Between the Provincial Government, Inuit and Industry	41
FINDINGS OF THE WORKSHOP ON ABORIGINAL ENGAGEMENT	43
CONCLUSION.....	45
ANNEX I.....	47
ANNEX II	49

Introduction

BACKGROUND AND OBJECTIVES

At their conference in September 2007 in Whistler (British Columbia), Mines Ministers *unanimously concurred on the vital importance of engagement between governments, industries, communities and Aboriginal peoples to ensure the viability of the mining industry. As a result, Ministers directed that approaches be explored, including the development of best practices involving government, industry and Aboriginal peoples.* Following the conference, the Intergovernmental Working Group on the Mineral Industry (IGWG) established an Aboriginal Engagement Task Group (the “Task Group”). The Task Group was mandated to collect mining and energy case studies and lessons learned submitted by IGWG and identify significant critical success factors for Aboriginal engagement, as well as key challenges.

Natural Resources Canada’s Minerals and Metals Sector, in collaboration with the Task Group, held the Mining and Energy Stakeholders Workshop on Aboriginal Engagement to review selected case studies and discuss the critical success factors and key challenges that hinder successful engagement. The workshop was attended by representatives of Aboriginal organizations; federal, provincial and territorial governments and agencies; mining and energy associations; and companies from across Canada. The views of the participants on the critical success factors and key challenges to successful engagement are summarized in the last section of this document.

It is expected that this compendium may be a useful tool in the promotion of leading practices related to Aboriginal engagement in the mining and energy sectors.

CASE STUDIES

The compendium comprises 16 case studies on Aboriginal engagement¹ in the mining and energy sectors involving governments, communities, and industry that range from preliminary geoscience mapping to exploration, operation, and the rehabilitation of abandoned sites. These case studies illustrate the mutual benefits of investing in stronger relationships and partnerships between governments, Aboriginal peoples, and the industry. The approach to Aboriginal engagement varies from project to project and over the mining sequence. In some of the case studies presented, significant aspects of Aboriginal engagement in the mining sector are defined through formal negotiated agreements such as Memoranda of Understanding (MOU) or Impact and Benefits Agreements. Other cases illustrate the importance of mutual understanding and respect, openness, and continuous dialogue in building and maintaining successful relationships between companies and Aboriginal communities. For the purpose of this document, the case studies have been categorized as follows:

¹ Governments, communities, and the industry often have different definitions of “Aboriginal community engagement.” For the purpose of this compendium, Aboriginal engagement comprises the formal and informal ways in which Aboriginal peoples, governments, industry, and stakeholders can stay connected on issues of mutual interest. This definition recognizes that the approach, extent, and effectiveness of the engagement differ substantially from one location to another. Aboriginal peoples refer to First Nations, Métis, and Inuit peoples.

Geoscience Mapping:

- A Provisional Template for Best Practices for Government Geoscience Activities in Nunavut: Developing Relationships With Inuit Communities and Organizations (Nunavut/NRCan [Earth Sciences Sector])

Government-First Nations Consultation Process:

- Best Practice: Consultation Protocol With First Nations: The Mi'kmaq-Nova Scotia-Canada Consultation Terms of Reference (Nova Scotia)
- Perspectives on Some Practices Related to Aboriginal-Government Engagement (Ontario)
- The Upper Similkameen Indian Band/B.C. Ministry of Energy, Mines and Petroleum Resources Mining and Minerals Protocol Agreement (British Columbia)
- Aboriginal Consultations Under the ecoENERGY for Renewable Power Program (NRCan [Energy Sector])

Exploration:

- Relations With Local Communities: The Case of Virginia Mines and the Cree Communities (Quebec)

Mine Development:

- Crowflight Minerals Inc. - Bucko Lake Mine (Manitoba)

Environmental Assessment Process:

- Victor Diamond Project: Example of First Nation Participation in Environmental Assessment (NRCan [Minerals and Metals Sector])
- Taltson Hydro Expansion: Building Relationships: The Approach to Energy Development in the Northwest Territories (N.W.T.)

Mine Operation:

- Birch Mountain Resources Ltd.: The Hammerstone Project Limestone Quarry and Processing Plants in the Heart of Alberta's Oil Sands (Alberta)
- Shell's Athabasca Oil Sands Project (NRCan [Minerals and Metals Sector])
- The Voisey's Bay Project: An Example of Successful Aboriginal Engagement in Newfoundland and Labrador
- Raglan Mine - Quebec: An Agreement Designed to Harmonize Relations and Foster Opportunities Between Xstrata Nickel and the Local Aboriginal Communities (Quebec)
- Uranium Mining in Saskatchewan (Saskatchewan)
- The Minto Mine Project: An Example of Successful Partnering Between First Nations, Government and Industry (Yukon)

Restoration of Old Mineral Exploration Sites:

- The Restoration of Abandoned Mining Exploration Sites in Northern Quebec: A Partnership Between the Provincial Government, Inuit and Industry (Quebec)

A Provisional Template for Best Practices for Government Geoscience Activities in Nunavut: Developing Relationships With Inuit Communities and Organizations

Within the progressive series of initiatives required for responsible mineral development (the mining cycle), public geoscience activity, i.e., geo-mapping, commonly precedes (or occurs independently of) all other activities, including exploration. For this reason, provincial, territorial and federal geological survey personnel are commonly the first contact Aboriginal communities have with respect to understanding the resource potential of their traditional lands. As a result of both the Canadian Constitution (Section 35) and associated Supreme Court of Canada rulings and land claim settlements, it is critical that geological surveys develop a series of best practices that result in consistent and transparent approaches to community relations. Some of the best examples of community engagement have evolved in Nunavut through the Canada-Nunavut Geoscience Office.

COOPERATIVE GOVERNMENT GEOSCIENCE PARTNERS AND PROJECT PLANNING

Government geoscience survey partners working in Nunavut include the Canada-Nunavut Geoscience Office² (CNGO), Natural Resources Canada (the Geological Survey of Canada [GSC]), Indian and Northern Affairs Canada (INAC), and the Government of Nunavut. Field-based geoscience activities are usually undertaken as joint projects of the CNGO and the GSC. Project plans are presented for approval to the CNGO Management Board at the annual meeting (normally in March). The meeting

² The Canada-Nunavut Geoscience Office (CNGO) acts as the geological survey of Nunavut. The office is a co-managed and co-funded partnership of NRCan (GSC), INAC, and the Government of Nunavut.

provides a significant opportunity for the CNGO and the GSC to initiate engagement of the Nunavut Government and “community” as the Management Board includes representatives from the Government of Nunavut and from Nunavut Tunngavik Incorporated (NTI), a *non-voting* member of the Management Board. NTI is responsible for the management of all Inuit-owned lands in Nunavut and acts as the advocate of Inuit interests in Nunavut. NTI is also invited to participate in geoscience planning meetings and is a partner in the CNGO data dissemination project, Nunavutgeoscience.ca.

WORKING ENVIRONMENT

Nunavut is unique in Canada as the entire territory is included in one land claim agreement, signed in 1993. The agreement is settled; all areas of Inuit Owned Lands (IOLs), including those with subsurface rights, have been selected and demarcated. The agreement applies to all areas within Nunavut and is not restricted to IOLs. Federal government departments working in Nunavut must be guided by their obligations under the agreement.

COMMUNITY RELATIONS: EVOLVING TOWARDS A BEST-PRACTICE MODEL Required Pre-Project Activities

The regulatory process for acquiring permits and licences for field activities presents the first formal opportunity and requirement for making contact with communities, Regional Inuit Associations (RIAs; Kitikmeot, Kivalliq and Qikiqtani IAs), regulatory bodies (e.g., Nunavut Impact Review Board, INAC Land Use, and Nunavut Water Board), and other associations (e.g., Hunters and Trappers Organizations [HTOs]).

To complete some permits, project proponents are required to have selected parts (e.g., project descriptions) translated into Inuktitut. In addition, the proponents write a letter (in Inuktitut) to mayors and hamlet councils of communities within the proposed project areas describing the projects (e.g., nature of field operations, potential impacts, plans for site remediation, etc.) and requesting feedback on project plans. In the course of project planning exercises, it became apparent that building community relations would be a learning exercise through which a series of best practices would evolve.

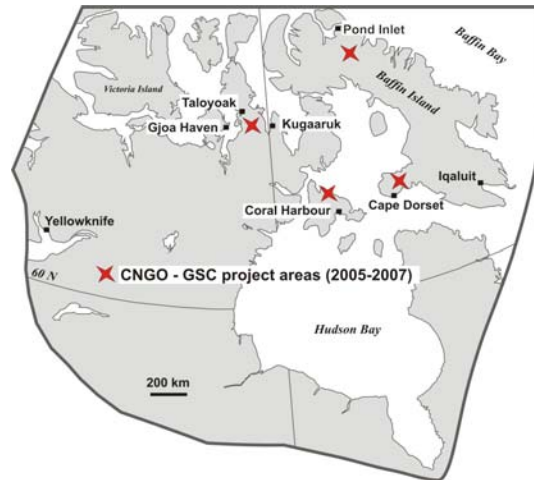
Principal Participants

For the sake of consistency, all community relations planning is carried out through the CNGO Chief Geologist. This gives communities a single communication portal, as well as a comfort level in dealing with the same individual.

Prior to field activities in 2007, the CNGO Chief Geologist made visits to Coral Harbour (May) and Taloyoak (June) to meet with mayors, hamlet councils, hamlet council operating officers, the public, Hunters and Trappers Organizations (Coral Harbour), and school students (Coral Harbour). The public and hamlet council meetings involved discussions of project plans, potential impacts, site remediation, community opportunities (for procurement, logistics support and employment), and involvement. In each of the meetings, the Chief Geologist addressed and accommodated specific concerns. For example, the HTO in Coral Harbour requested the Southampton Project contract the HTO for environmental and Polar Bear monitors; the Taloyoak council requested that the mayor visit the Boothia Project camp on camp-move-out day to inspect the site and efforts at site remediation.

The Coral Harbour visit also involved a two-day visit to the local school (all grades),

which included a presentation of basic concepts in Earth science through a hands-on geology (rocks, minerals, fossils) and GIS learning experience, a description of the CNGO project, and potential Earth science/resource exploration employment opportunities.



Syn-Project Activities

Following the lead of the 2006 SW Baffin Project, and at the request of the Taloyoak Hamlet Council, the Boothia Project was host to a group of Taloyoak elders for one day during 2007 field operations. The elders were transported by helicopter to the field site and given a project presentation, site tour, and lunch.

In addition, CNGO-GSC aircraft transported representatives from the Taloyoak and Coral Harbour hamlet councils on the last days of field operations to inspect the camp sites.



Post-Project Activities

It is important to ensure that the community communications process follows a symmetric profile in which communication is maintained for a period of time following the cessation of field activities and publication of results. As a follow-up to field activities that occurred in the 2006 field season, CNGO and GSC project leaders and participants went to Cape Dorset in the winter of 2007. The Cape Dorset meetings included an evening public meeting describing the 2006 field activities and highlighting some of the results, new maps, and potential impacts (i.e., if the new geoscience would result in private-sector exploration activities, and what the communities might expect). In addition, CNGO and GSC scientists spent two days meeting with students (all grades) and presented some basic concepts in Earth science, provided a hands-on geology and GIS learning experience, described the project, and outlined potential Earth science/resource exploration employment opportunities.

KEY OBSERVATIONS

Communities have very different concerns, requests, reactions, and political dynamics, and CNGO-GSC staff involved in pre-project community visits should be flexible, responsive, sensitive, authoritative, and prepared.

Visits by Inuit elders to the field site may have the highest impact and value for the Inuit communities and CNGO-GSC staff relative to any other community activity/meeting.

An important aspect of having government surveys involved in Aboriginal community relations is to emphasize that gaining an understanding of the geology of traditional lands is essential to understanding their territory in a more holistic manner. This includes an understanding of its resource potential, as well as a better understanding with respect to environment, health, and climate change. Surveys must present themselves as honest brokers in this information-gathering process in which the information gathered is freely disseminated and objectively assessed. In this way, government surveys have the potential to be involved in all aspects of the so-called mining cycle to help ensure that geoscience knowledge is used towards responsible resource development of traditional lands.

Best Practice: Consultation Protocol With First Nations: The Mi'kmaq-Nova Scotia-Canada Consultation Terms of Reference

There are 13 First Nations in Nova Scotia – they are all Mi'kmaq. The historical relationship between the government and the Nova Scotia Mi'kmaq is governed by a series of Peace and Friendship Treaties signed between 1725 and 1751. These treaties were an agreement for settlers and the Mi'kmaq to co-exist in a peaceful manner. The treaties were affirmed under Canada's Constitution in 1982 and again with the Supreme Court of Canada's Marshall decision in 1999.

The Made-in-Nova Scotia Process is the forum for the Mi'kmaq, Nova Scotia, and Canada to resolve issues related to Mi'kmaq treaty rights, Aboriginal rights, including Aboriginal title, and Mi'kmaq governance. In 2002, the three parties signed an Umbrella Agreement to initiate negotiations to consider constitutionally protected rights of the Mi'kmaq of Nova Scotia, renew a commitment to the existing Mi'kmaq-Nova Scotia-Canada Tripartite Forum, and initiate discussions regarding the requirement of governments to consult with the Mi'kmaq of Nova Scotia.

MI'KMAQ-NOVA SCOTIA-CANADA CONSULTATION TERMS OF REFERENCE

Nova Scotia's consultation environment is unique in Canada. In June 2007, the three parties at the Made-in-Nova Scotia negotiation table developed and agreed to pilot Consultation Terms of Reference (ToR). The ToR describe how consultation will proceed between all First Nations in Nova Scotia and the governments of Nova Scotia and Canada.

All 13 First Nations are represented by the Assembly of Nova Scotia Mi'kmaq Chiefs.

When the provincial government offers to consult, it does so with all 13 Chiefs and Councils through the Assembly of Nova Scotia Mi'kmaq Chiefs. Therefore, consultation does not have to involve multiple meetings with a number of First Nation bands or deal with overlapping and competing claims. The ToR provide an opportunity to implement an effective consultation process in the context of a single, agreed-to framework.

While the ToR process is optional for both First Nations and governments, it is hoped that it will become an effective and preferred vehicle for consultation. If an individual band or bands do not agree to be represented by the Assembly on a consultation matter, a separate process may be pursued with that band. The ToR do not commit any party to undertake consultation on any particular issue, commit the parties to reach agreement, limit consultation outside the process, or prevent "without prejudice" discussions at some point in the process.

HOW DOES IT WORK?

Once provincial departments undertake a risk assessment to determine whether consultation is preferred, a letter from the responsible department goes to all 13 Chiefs and Councils offering to consult and describing the proposed activity, including any timelines. A template letter for consultation was developed by the Office of Aboriginal Affairs and the Department of Justice. The Assembly of Chiefs meets once a month to discuss all consultation requests from governments and to delegate a Chief to lead the consultation. The government department is then notified of the Assembly's decision, including the name of the delegated Chief.

All discussions under the ToR are on the record. The ToR process is guided by a Consultation Table consisting of one representative from the Mi'kmaq, Nova Scotia, and Canada. The Consultation Table acts like a steering committee to address process questions and issues when they arise, and to “trouble shoot.”

GOVERNMENT OF NOVA SCOTIA'S APPROACH

Provincial government departments are supported by the Office of Aboriginal Affairs, which provides policy advice and support to departments and agencies, including risk assessment, process, substance and follow-up of consultation, coordination with other levels of government, and facilitation. The Office also has an active role in raising awareness and building capacity among provincial employees, assisting departments to develop internal protocols and guidelines for consultation, and developing consultation tools – like a risk assessment framework and a proponent's guide to engagement. However, it is the responsibility of individual departments to identify activities within their sphere that may infringe on claimed or asserted Aboriginal or Treaty rights and title, and to take a lead role in shaping any consultation that is needed.

EXPERIENCE FOR MINING PROJECTS

In fall 2007, the Department of Natural Resources formally requested consultation under the ToR with respect to several projects that were approaching critical decisions. The

request noted that government had not yet determined whether a legal duty to consult existed for these projects, but consultation was being requested as a matter of policy. The Assembly of Chiefs delegated a Chief to lead the consultations and brought together a consultation committee. In early 2008, this committee met for the first time with representatives from the Department of Natural Resources. The meeting included a comprehensive discussion of the mining industry in the province and the state of development of four specific projects. Following the meeting, concerns and recommendations were circulated for feedback and requests for further information were addressed. Plans are currently under way for a follow-up meeting to address technical issues of some projects in more detail. It is hoped that this can eventually become a recognized forum where mining-related activities can be discussed and mining-related issues can be brought for consultation.

LESSONS LEARNED

- Start early!
- Proponents should be engaging Aboriginal peoples well ahead of any regulatory processes.
- Agreement with all First Nations on how consultation will proceed is an advantage.
- Build a centralized, coordinated, supported approach to consultation.
- Come prepared to discuss details of projects, and be creative in exploring solutions that will address Aboriginal concerns.

Perspectives on Some Practices Related to Aboriginal-Government Engagement

INTRODUCTION - ROLE AND PURPOSE OF ABORIGINAL ENGAGEMENT

The Ontario Ministry of Northern Development and Mines (MNDM) engages with Aboriginal communities, organizations, and Treaty organizations to:

- Develop and nurture relationships with Aboriginal organizations and communities;
- Exchange information;
- Receive input into proposed changes to Ontario government legislation, policy, regulations, and practices;
- Address the legal, business, operational, and good governance factors related to policy priorities, interests, or planned, multi-year initiatives;
- Help inform decisions related to the Crown's consultation duty;
- Understand and address issues;
- Transfer skills to enable Aboriginal participation in the mineral sector;
- Achieve a mutual understanding between the Aboriginal community and MNDM.

Rather than single out an individual case study, this summary is a synthesis of a broad range of engagement practices, process, and lessons learned by MNDM.

DEFINITION

MNDM uses the term “engagement” broadly in this summary paper. Engagement encompasses a broad range of activities related to contact, discovery, cooperation, communication, and mutual understanding.

Engagement is the basis for effective communication, and together these are the foundation for mutual awareness, respect, and understanding, which in turn are the foundation for relationship-building. A strong and informed relationship helps to ensure that mutual interests

are discovered and addressed. That environment helps ensure there are mutually beneficial outcomes.

NATURE OF ENGAGEMENT

The engagement activity varies depending on the intent. Some engagement activities are informal while other engagement processes are implemented under a project agreement, a protocol agreement, or a political agreement. Engagement may take place through the auspices of the MNDM Aboriginal Relations Unit or may involve leaders and technical staff of technical program areas, such as the Ontario Geological Survey Branch, the Mineral Development and Lands Branch, or the Regional Economic Development Branch.

Virtually all Aboriginal communities have advised MNDM to engage with Aboriginal communities, unless the community indicates that their interests are served by a different organization, such as a Tribal Council or Treaty organization. Regardless of the engagement players, MNDM attempts to keep the community informed.

Engagement is about mutual understanding and respect, and meaningful communication seeking to address mutual interests while attempting to understand respective positions. Engagement requires a sustained effort over a longer period of time.

MNDM ENGAGEMENT CONTEXT

MNDM has found that there is no single engagement approach. However, several pre-engagement considerations can help contribute to the success of an engagement process:

- Take time to understand the complex political, operating, community, and government environment;
- Recognize that information-flow and decision-making process responsibilities in Aboriginal communities may differ from those of leadership-driven, Ontario government decision-making; therefore, a flexible approach is needed;
- Listen to the community as it knows what approach works best to share information with each other and how decisions are made;
- Understand and define the Ministry's objectives;
- Define with the community the type and intent of the engagement (partnership vs. collaboration vs. business vs. consultation vs. protocol vs. agreement vs. issue management); each type may have a different approach and require different staff.

Team Selection

Many Aboriginal communities have an expectation of working with senior Ministry officials, empowered to make decisions, or with individuals who report directly to Ministry leadership. Our team selection is based on engagement intent, duration of the process, type and frequency of required decisions, and capacity. We have learned that relationships are built between people, not organizations, so once the engagement team is selected and involved, it may be counterproductive to change key team members. Also, it is important to assess the type of staff involved, and the corporate and individual flexibility to changing situations, to ensure the team is able and willing to respond quickly to changes and to engage when the need arises. Dedication to a community-level relationship may pose capacity issues for an organization.

ENGAGEMENT PRINCIPLES

A number of engagement practices, founded on principles, guide the MNDM engagement approach and these may be considered success factors:

- Regardless of engagement organization, keep the community informed;
- Jointly develop the engagement approach;
- Assign and involve the right political, executive, and technical people with the right authority, at the right time and place, and at the appropriate stage of engagement; this Chief-to-Chief, technical-to-technical, community-to-community engagement model, with consistent team players, is an important success factor;
- Mixed gender engagement teams may reach more broadly into a community;
- Ensure team participants have the appropriate skills for the intended engagement (negotiation skills may differ from relationship-building skills);
- Define the authority for action or decision-making; it may be considered disrespectful if the inappropriate person is sent to a table involving decision-makers where the goal is to make a decision;
- Communities develop relationships with people – changing the engagement team may completely undermine progress to date because the relationship will have to be rebuilt;
- Seek meaningful communication using appropriate communication tools, ideally jointly developed and in the local dialect of the community;
- Seek to understand and help address shared interests (e.g., cultural, environment, capacity, development); success cannot be achieved if there is no mutual benefit from the engagement;
- At the outset, work toward a shared understanding of intent and

expectations, and define the limits of authority;

- Avoid surprises by agreeing to a communication process and ensuring that information, good and bad, flows effectively;
- Be visible in the community, not just in the “boardroom”; this means participating in community events, spending time in the community, and avoiding the “in at 10 a.m. out by 4 p.m.” approach; communities advise us that the engagement outside the boardroom may be more important than within the boardroom because that is where a connection with the community people is made.

ENGAGEMENT APPROACHES

A number of tools and approaches may be used depending on the mutual interests and the approach preferred by the community.

Agreement Types

Several types of agreements may guide the engagement:

- Political Memorandum of Cooperation (“walking together”);
- Memorandum of Understanding, to develop a consultation protocol;
- Technical project agreement, to guide roles, responsibilities, and accountabilities for a technical communication, Traditional Ecological Mapping (TEK), or geological mapping project.

Meetings

- Mutual cultural awareness sessions;
- Consider engaging with elders, political, band, clan, family, individuals, women’s groups, and the school depending on a community’s preference;
- Inside and outside the boardroom, such as career fairs, school presentations, band meetings;
- Workshops – special information sessions.

Expert or Wise Councils

The approach to political or technical input and communication may differ. For political

advice to a Minister, MNDM uses Advisory Councils or Advisory Boards. For input to substantive items such as legislative, policy, regulatory or program issues, MNDM uses technical working groups or committees.

ENGAGEMENT TOOLS

MNDM attempts to develop meaningful communication tools with the community that are written in a broadly regional Aboriginal language or in the dialect of a local community. The tools may include: posters, glossaries of administrative and technical words and phrases, translations of policy documents or discussion papers, or newsletters. For more technical subjects, field visits, enhanced information maps, or information videos in a native language are used.

CAPACITY-BUILDING TECHNIQUES

To help achieve the capacity-building interests of a community, MNDM offers, or will attempt to facilitate delivery of through a third-party delivery agent, specialized, mineral sector-specific training (e.g., prospector training, line cutting course). MNDM will sponsor participation of community leaders and technical staff at technical conferences, such as the Annual Prospectors and Developers Association of Canada meeting in Toronto or small regional symposia where the community participants develop their own contacts, discuss face-to-face with industry proponents the community interests, and acquire a better insight of the mineral sector. In some communities, MNDM has funded the position of a community-based “mining coordinator” or a community communication liaison person who is responsible for facilitating communication between community and industry and between the community and government. In addition, MNDM hires local community youth to work on the Ontario

Geological Survey geological mapping teams or other projects.

LESSONS – SUCCESS FACTORS

In addition to lessons learned and incorporated into the MNDM practices, there are some key general conditions that underpin “success”:

- Capacity building is necessary on both sides;
- Separate “political” from “program or operational”;
- Meaningful communication leads to informed consultation;
- Communication becomes easier as relationships build;
- Relationships are with people, not just organizations;
- Use the term “partnership” only if you share the same definition;
- Commit only within your authority and deliver what you commit;
- Follow up;
- Continuously echo back on the status of discussions to ensure all parties share the same understanding;
- Implement transitional approaches while longer-term solutions are sought;
- Be patient, don’t give up - there will be mistakes by both partners.

For more information:

Christine Kaszycki, Assistant Deputy Minister,
Mines and Minerals Division

E-mail: Christine.kaszycki@ontario.ca

Lori Churchill, Senior Aboriginal Liaison
Officer, MNDM Aboriginal Relations Unit

E-mail: lori.churchill@ontario.ca

Cindy Blancher-Smith, Director, Mineral
Development and Lands Branch

E-mail: cindy.blancher-smith@ontario.ca

Andy Fyon, Director, Ontario Geological Survey

E-mail: andy.fyon@ontario.ca

The Upper Similkameen Indian Band/ B.C. Ministry of Energy, Mines and Petroleum Resources Mining and Minerals Protocol Agreement

INTRODUCTION

In late 2005, the Upper Similkameen Indian Band (USIB) approached the Ministry of Energy, Mines and Petroleum Resources (MEMPR) with a proposal to develop a consultation framework for mining and mineral exploration and development that would reflect the principles of the *New Relationship*.



In July 2006, the parties concluded an Agreement that endeavours to develop greater certainty for mineral resource development. This improved certainty is facilitated by a mutually agreed upon Consultation and Accommodation Approach that provides clear and timely processes and roles regarding:

- communication;
- information sharing; and
- appropriate consultation and accommodation measures pertaining to



mining and mineral activity on USIB traditional territory.

CHALLENGES

MEMPR has a mandate to manage the responsible development of a competitive mining and minerals sector for the benefit of all British Columbians. The USIB does not have a treaty and has asserted Aboriginal rights and title within its traditional territory. This circumstance has resulted in MEMPR needing to consult with regard to these interests and, where appropriate, accommodate them. The USIB also has a historic tradition of mining, and thus has several overlapping cultural and economic interests regarding mining and mineral development.

With the concepts and ideas included in the *New Relationship* still under development, the parties were tasked with creating a novel agreement that met their respective needs while fulfilling the relevant legal obligations.



THE COLLABORATIVE APPROACH

As a pioneering venture, the negotiations that led to the Agreement required the creativity and commitment of both parties, as well as close contact between the Ministry and other government agencies, including the Ministry of Attorney General and Ministry of Aboriginal Relations and Reconciliation.

THE RESULTS

The dialogue between the parties and the subsequent Agreement help to implement the *New Relationship* by providing a means to integrate USIB interests and perspectives into operational decisions.

On a practical level, a streamlined approach to consultation has been established that allows for quicker turnaround of routine applications, as well as for more intensive consultation on projects that may result in a greater impact on Aboriginal interests. The Agreement has already resulted in real benefits for the USIB and the Ministry, allowing for a much more effective and collaborative relationship between the parties, and for industry, that can do business within a more certain regulatory framework.

Level of Sensitivity	Activity					
	Non-Mechanized Disturbance	Mechanized Existing Disturbance	New Minor to Moderate Mechanized Disturbance	Mechanized Significant New Disturbance	Mine Production	
					Sand and Gravel Quarry Operations	Metal and Coal Mine Production
Low	Notification	Notification	Consultation Level 1	Consultation Level 2	Consultation Level 2	Consultation Level 3
Moderate	Notification	Consultation Level 1	Consultation Level 1	Consultation Level 2	Consultation Level 2	Consultation Level 3
High	Notification	Consultation Level 2	Consultation Level 2	Consultation Level 3	Consultation Level 3	Consultation Level 3
Low	→					High

SUCCESS FACTORS

- A pre-existing collaborative relationship, including Economic Measures Funding in 2003 to support the development of the Mascot mine as a major tourist attraction;
- First Nation's historical connection to mining and minerals;
- Business interest by First Nation to be part of the mining resurgence in the Similkameen Valley;
- The Working Group's ongoing dialogue exploring the ideas and concepts included in the *New Relationship*;
- First Nation's willingness to work within the existing legislative framework;
- A mutually agreed upon interpretation of the legal duty to consult and accommodate; and
- Joint instructions to lawyers to abstain from direct participation in the negotiation process.

LESSONS LEARNED

Future Protocol Agreements with First Nations could be improved by incorporating how other parts of government review and approve permit applications. The involvement of other agencies that are involved with additional regulatory authorizations associated with mining has the potential to increase the relational benefits and operational efficiency provided by the USIB/MEMPR Agreement.

Aboriginal Consultations Under the ecoENERGY for Renewable Power Program

THE ECOENERGY FOR RENEWABLE POWER PROGRAM

In January 2007, the Government of Canada announced a clean energy and clean air program to support the development of low-impact renewable power. The ecoENERGY for Renewable Power program is a \$1.46 billion investment to increase Canada's supply of clean electricity from renewable sources such as wind, biomass, low-impact hydro, geothermal, solar photovoltaic, and ocean energy. It will support 4000 MW of new renewable power capacity, which is enough to provide electricity to up to one million homes.

Under the program, Natural Resources Canada (NRCan) provides an incentive of one cent per kilowatt hour over a 10-year period to eligible low-impact renewable electricity projects constructed between April 1, 2007, and March 31, 2011. Every project that receives support under the program must complete a federal environmental assessment pursuant to the *Canadian Environmental Assessment Act* (CEAA).

ABORIGINAL CONSULTATION PROCESS

NRCan has developed a step-by-step consultation process to ensure that Aboriginal groups are effectively consulted on the delivery of the ecoENERGY for Renewable Power program.

To the extent possible, Aboriginal consultations are integrated with the existing environmental assessment process. In many cases, Aboriginal groups are active participants in the environmental assessment of renewable energy projects. The CEAA requires that the consideration of adverse environmental effects includes the effect of

any change in the environment caused by a project on the current use of lands and resources for traditional purposes by Aboriginal persons.

Given that renewable energy projects also require provincial, and at times other federal, authorizations or approvals, NRCan carries out consultations in coordination with other provincial or federal departments and agencies, as well as with the project proponent. To the extent possible, project proponents and Aboriginal groups are encouraged to resolve any potential issues of concern between themselves early on in the process.

Upon receipt of an application to the ecoENERGY for Renewable Power program, NRCan notifies any Aboriginal groups that may have an interest in the project. Groups are provided with a description of the project and are invited to participate in the necessary environmental assessment.

To facilitate the consultation process, First Nations have an obligation to clearly articulate the nature of their interest in the project, including any potential negative impact on their asserted or established Aboriginal or treaty rights. Aboriginal groups are invited to provide comments on the environmental assessment or to identify any issues or concerns they may have regarding the proposed project.

To the extent possible, any issues identified by Aboriginal groups are addressed within the context of the environmental assessment report and any proposed mitigation measures for the project. However, if a group is not satisfied with the environmental assessment report, further consultations may be carried out with the goal of mitigating

adverse effects. If necessary, additional mitigation measures may be prescribed as a condition of a contribution agreement for a project.

The development of this process is part of what will likely be an evolving process for consulting Aboriginal groups under the ecoENERGY for Renewable Power program. Every consultation is a new experience and NRCan works with First Nations and industry to identify best practices and other strategies to improve the current approach. In doing so, the department hopes to achieve a meaningful and fair process to ensure substantive discussion that addresses or accommodates First Nation concerns.

Relations with Local Communities: The Case of Virginia Mines and the Cree Communities

Virginia Mines is a mining exploration company that has been active in northern Quebec for over 15 years. Since its earliest beginnings, the company has worked to establish ongoing communication with First Nations communities to keep them informed of its prospecting activities. The goal has always been to develop long-term relations with communities located in exploration areas.

PERMANENT CONTACT WITH THE COMMUNITIES

The Virginia Mines philosophy is to involve the local communities in project planning and implementation. For example, the chief, band council, economic development officer, trappers, and the Cree Trappers Association are contacted several months in advance when activities are planned for their sector. The company notifies them of the nature and purpose of the work, the schedule, the area concerned, and the location of camps in order to obtain their comments and respond to any concerns they may have. The company then stays in close contact with the community to report on project progress and results.

Almost every year, the company also tours the major band councils to report on the progress of mining activity in northern Quebec. Virginia Mines acts as something of an industry ambassador among the communities, answering questions posed by officials and residents, while gathering their opinions and comments on development work. In this way, the company fosters better collaboration that is based on trust developed through consistency, respect, and an ongoing commitment to clarity and transparency.

The report on an April 2005 session held in Wemindji on the subject of the mining industry contained a paragraph on the high level of communication maintained between the communities and the company. It noted that Virginia Mines has long been involved with *Eeyou Istchee* and, over the years, has established an excellent system for dialogue with the Cree communities. The report suggests that the company's method be adopted as a model. Its participatory approach ensures that the families, chiefs, band councils, and trappers are fully informed about activities in an area. It also helps establish and maintain good relations among the parties.

COMMITTED BUSINESS PARTNERSHIPS

Virginia Mines consistently makes a great effort to encourage local workers and entrepreneurs. It develops the use of facilities and equipment already in place and champions alliances and partnerships with Cree communities. One of the best examples of this commitment is the strategic alliance between the Mistissini community and Cree Gold Exploration. Cree Gold and Virginia Mines are working together in a joint venture, exploring a sizeable area of interest covering 14 000 km² in the Mistissini region, in order to identify and study volcanic belts and mineralized zones. This is a win-win partnership for both parties, and demonstrates the new brand of relations that can be developed between the mining industry and the First Nations of Quebec.

A COMMITMENT TO RESPECT FOR ECOSYSTEMS

The natural environments in the exploration areas where the company is working are highly vulnerable. Virginia Mines has therefore adopted exploration best practices and strives to cause the least possible damage to the ecosystems of the Far North. It is an important commitment signifying respect for the environment, local communities, and society in general.

Crowflight Minerals Inc. – Bucko Lake Mine

INTRODUCTION

The Bucko Lake nickel deposit, under development by Crowflight Minerals Inc., is located south of Thompson, Manitoba, near the town of Wabowden. This deposit is a southern extension of the very prolific Thompson Nickel Belt which, since its discovery in the 1950s, has produced more than four billion pounds of nickel from several mines operated at one point or another by either Inco Ltd. or Falconbridge Ltd.

The Bucko Lake nickel deposit was first discovered in 1964. In 1971-72, Falconbridge sunk a three-compartment shaft at Bucko Lake to a depth of 356.6 m (1170 ft – “1000 Level”) and developed 915 m (3500 ft) of hanging wall drifting at the 1000 Level. A 61-hole underground drilling program consisting of 12 700 m of drilling on 30-m spacings was performed. The mine was closed in 1972. The results of this drilling were used in the calculation of several pre-National Instrument 43-101 mineral resource estimates by Crowflight. Crowflight has delineated a mineral resource containing nickel, copper, cobalt, platinum group elements (PGEs), and gold.

As of January 2008, construction of the Bucko mine site was progressing steadily. The hoist and headframe set were commissioned in November 2007 and are now fully operational. The underground shaft de-watering and rehabilitation to the 100 Level (~ 330 m below surface) is complete, thereby providing access to commence the underground development and exploration program. Underground drill programs have started and work continues to advance on the mill and other surface buildings.

The priority for Crowflight is to bring the Bucko Lake nickel deposit into production by mid-2008.

ENVIRONMENTAL ASSESSMENT PROCESS

Crowflight is in the process of obtaining provincial and federal environmental approvals and permits for its planned Bucko Lake nickel project. The project is a Class 2 Development, and Crowflight submitted an Environmental Act Licence Proposal for the project to Manitoba Conservation in April 2006. That proposal included a plan for disposal of tailings in the adjacent Bucko Lake. This tailings disposal approach was identified as the most environmentally acceptable approach for the secure long-term disposal of the potentially acid-generating tailings that will be produced from milling of the Bucko ore.

Given the extended and unpredictable schedule for completion of the federal process, Crowflight has been forced to consider interim means of bringing the project into production and submitted a Notice of Alteration (NOA) (December 2007) to its project proposal originally submitted in April 2006. The company is proposing to include the provision for interim land-based tailings storage in order to allow the project to go into production and take advantage of the current strong market prices for nickel. There has been no approval yet for the land-based tailings storage.

The environmental review and approval process for lake-based tailings disposal takes a long and unpredictable length of time. To date, three federal departments have indicated that each has to sign off on a screening environmental assessment under the *Canadian Environmental Assessment Act* (CEAA), and two Order-in-Council

approvals from the federal Cabinet are necessary to address requirements under the *Metal Mining Effluent Regulations* (MMER) of the *Fisheries Act* and Section 23(1) of the *Navigable Waters Protection Act*. Thus far, the federal review has taken some 16 months, and current estimates are that the time remaining to obtain necessary federal approvals could extend to the end of 2008 at the earliest, and possibly into 2009.

ABORIGINAL/COMMUNITY DISCUSSIONS/CONSULTATIONS

The purpose of consultation was to hear and understand community concerns about the proposed project and its potential effects on use of the land, water, and resources. These concerns are taken into consideration before making decisions about the proposed Tailings Impoundment Area. As the company is not in production yet, the consultation process continues.

Community meetings in Wabowden, Cross Lake First Nation, Snow Lake, and Thompson have been conducted by federal and company officials. There were high levels of interest for the meetings, but there were problems notifying the communities about the meetings. Mine-site tours were also conducted.

Numerous concerns were raised such as water quality, trap line disruption, snowmobile trails, environmental issues surrounding the tailings, that the mine is only monitored for three years after closure, and hiring and training of local people for jobs.

A *Fish Habitat Compensation Plan* has been submitted by the company. When discussed with the community, the term “compensation” was problematic. Compensation created an image of money

being made available to compensate, a common theme in the North and one that may be misleading in the Aboriginal consultation process. The term “fish habitat rehabilitation” is best used.

A Community Trap Line is located near the community of Wabowden. This trap line is used by young people and elders to hunt for mink and martin, as well as for training. Access to this trap line was on the mine access road, which Crowflight has concerns about due to snowmobile or ATV use when trucks are using it. Therefore, Crowflight cleared sufficient area beside the road and installed some culverts to facilitate snowmobile and ATV travel beside the road, away from truck traffic. Signage was also installed.

LESSONS LEARNED

- Technical reports should be re-written in plain English and translated into Cree. Having someone explain the reports to them would help, and pictures and images are more important to them than words.
- Need to have coordination with the Province in future meetings.
- Crowflight has been distributing a quarterly newsletter to the communities. Future editions will include more details about timelines of training and hiring activities, and statistics demonstrating local hiring completed to date.
- It is suggested that notices for future meetings go out to all mailboxes and that meetings be announced via the local radio and at community bingo games at least seven days prior. Serving food is a great draw.
- When discussing Fish Habitat Compensation, the word “rehabilitation” should be used.

Victor Diamond Project: Example of First Nation Participation in Environmental Assessment

INTRODUCTION

The Victor diamond project, operated by DeBeers, is located near Attawapiskat in the James Bay region of northern Ontario. It will be Ontario's first diamond mine and the first major industrial development in this area with significant potential economic benefits for the First Nations along the James Bay coast.



(NRCan) was the lead responsible authority for the EA and worked closely with the Canadian Environmental Assessment Agency. The eight federal departments and agencies, and three provincial ministries involved, all strived to engage First Nations early and in all parts of the environmental assessment. It was a fundamental premise of the consultation that First Nations have the tools to understand the project and the EA. Most importantly, the consultation was a vehicle for First Nations to voice their concerns. With consultations beginning before the guidelines for conducting the assessment were finalized, First Nations influenced which issues would be included in the assessment.



ENVIRONMENTAL ASSESSMENT PROCESS

The entire project was subjected to a comprehensive-level federal environment assessment (EA) under the *Canadian Environmental Assessment Act (CEAA)*. In addition, three provincial-level environmental assessments were undertaken to cover specific aspects of the project. The federal EA covered all aspects of the project and took two years to complete.

The Victor diamond project EA included an extensive public consultation, in this case, to the benefit of First Nation communities in the region. Natural Resources Canada

COMMUNITY PARTICIPATION

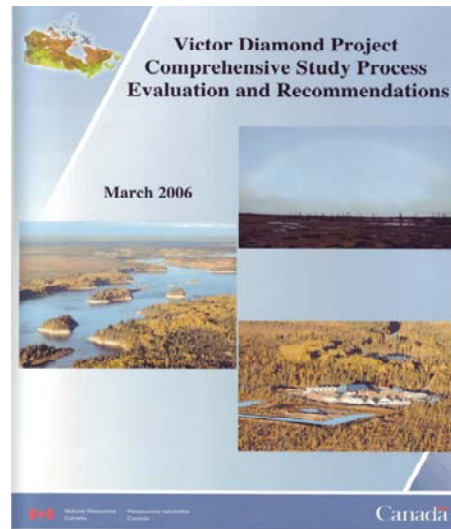
Consultations continued at every step of the process, with federal and provincial officials going to the five affected communities on the James Bay coast on numerous occasions to inform and, more importantly, to listen.

In response to concerns expressed during the initial phase of the consultation, De Beers considered alternatives to some project components (e.g. the use of diesel fuel to generate electricity). The company submitted a revised proposal that eliminated some of the impacts and alleviated concerns that had been expressed by the First Nations.

The process was an opportunity to not only incorporate the communities' concerns, but also to include Traditional Ecological Knowledge (TEK). The use of TEK, along with scientific knowledge, assisted the company in making informed decisions regarding protection of the environment and the mitigation of impacts.

Governments gained a better understanding of the particular concerns of each community, and involved them in determining possible impacts and mitigation measures. Moreover, the consultations developed a relationship and a measure of trust between governments and the First Nation communities that is the basis for an ongoing productive relationship for the development of a follow-up program for the Victor diamond mine project.

A post-project review was conducted to identify issues and make recommendations.



LESSONS LEARNED

- Identify the best format of consultation early in the process.
- Once engagement begins, adjust approach to the community involved.
- For an effective consultation, involve all decision-makers of all jurisdictions.
- Identify cultural/traditional events before consultation starts.
- Translate documents into Aboriginal language before distribution and discussion. Translate a plain-language summary of documents.
- Develop a consultation plan (including engagement options, costs, and resources) early in the process.
- Identify financial resources.
- Identify specific tools to be used during consultations (i.e., video, etc.).

For more information:

www.debeerscanada.com/files_2/victor_project/factsheet.html

www.ceaa-acee.gc.ca/index_e.htm

Taltson Hydro Expansion: Building Relationships: The Approach to Energy Development in the Northwest Territories

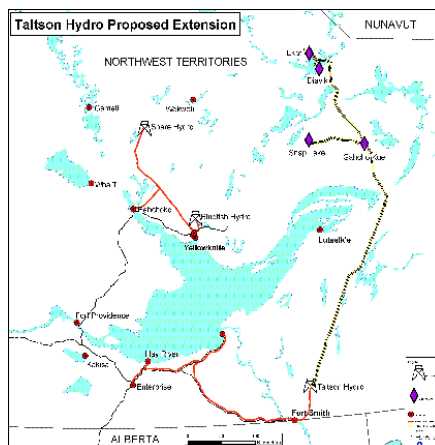
INTRODUCTION

The Taltson hydro-electric facility is currently owned and operated by the Northwest Territories Power Corporation (NTPC). It is located in the southeast portion of the Northwest Territories, about 56 kilometres (km) northeast of the Alberta/N.W.T. border. It was built in 1966 to supply power to the Pine Point lead-zinc mine, which closed in 1987. The facility was originally built to a capacity of 18 MW. Since closure of the mine, demand has dropped to an average of around 10 MW. On average, 8 MW worth of water just flows over the spillway.



There is an additional potential of 172 MW on the entire Taltson River system without additional flooding, which makes it a strong candidate for further hydro-electric development.

The site is proposed to be expanded by 36 MW to make a total of 45 MW available. The expansion of the project will be undertaken by Deze Energy Corporation.



Applications to develop the project were filed with the Mackenzie Valley Land and Water Board in March 2007. The project was referred to Environmental Assessment in October 2007 and is currently undergoing EA.

TALTSON

**HYDROELECTRIC
EXPANSION
PROJECT**

DEZE ENERGY CORPORATION

**PROJECT
DESCRIPTION**

In Support of the MVLWB
Land and Water
Applications

March 2007

WHAT IS DEZE ENERGY CORPORATION?

Deze Energy Corporation is a joint venture between the Akaitcho First Nation, the NWT Métis Nation, and the NWT Energy Corporation, a Crown corporation of the Government of the Northwest Territories (GNWT).

These organizations, through a Memorandum of Understanding, have agreed to further develop the hydro-electric resources of the Taltson River System. This MOU brings together the principal stakeholders of the region and the owner and operator of the Taltson power stations.

In the MOU, the parties agreed:

- To establish a corporate entity that will represent the interests of the Akaitcho Regional Investment Corporation (ARIC) and the South Slave Metis Energy Corporation (SSMEC) in business arrangements that will lead to the further development of the hydro-electric resources of the Taltson River system.
- To develop detailed business plans that will provide for profitable business opportunities for ARIC and the SSMEC.
- To form a Steering Committee that will comprise one representative of each partner. This Committee will direct and oversee research into the issues related to the proposed development, and examine potential business opportunities that may be available.

The three partners have been working on this project since 2003 and have gone through successive steps leading to a formal Project Development Agreement and Shareholders Agreement. These final agreements are targeted to be completed by the fall of 2008.

ABORIGINAL PARTICIPATION IN ENERGY PROJECTS

GNWT Crown corporations have been building relationships with communities and Aboriginal governments for a number of years.

In 1996, a partnership was formed with the Tlicho to develop a 5-MW run-of-river hydro facility at the Snare Cascades site.

The GNWT is also working with individual communities to examine the development of mini-hydro systems and have partnered with the local Gwich'in leadership in Fort McPherson on a waste heat recovery option.

INGREDIENTS FOR SUCCESS

Building Relationships

Given the history of the relationship between governments, Crown corporations, and Aboriginal people, gaining enough trust from the Aboriginal community to do business together has taken time. Even today, trust must be built slowly by openness, transparency, inclusiveness, and demonstrated respect for Aboriginal rights, culture and contributions (i.e., traditional knowledge).

Benefits for Aboriginal People

Aboriginal governments are no longer willing to settle for jobs and contracts that follow the boom and bust of construction and exploration cycles. Training and employment are still high priorities, but Aboriginal business capacity and wealth creation are additional requirements when undertaking developments. Non-Aboriginal interests need to factor in Aboriginal business partners' concerns for the environment, sustainability, culture, and way of life. These concerns may take precedence over business expediency and bottom lines. Developers need to consider these interests when doing business in the N.W.T.

Birch Mountain Resources Ltd.:

The Hammerstone Project

Limestone Quarry and Processing Plants

in the Heart of Alberta's Oil Sands

The Hammerstone project is located 60 km north of Fort McMurray and about 6 km east of the settlement of Fort McKay. The region is the focus for all of the major open-pit oil sands mines and several large in-situ oil sands developments. A quarry development is subject to very similar regulatory requirements as an oil sands project. The challenge of consulting with First Nation communities has been to differentiate the limestone quarry and processing plants from the much larger oil sands developments.

A key to success in the Hammerstone Project consultation has been the long-term involvement of senior management of Birch Mountain Resources in the process. An officer of the company has worked closely with the communities over the past 10 years, leveraging his many years of previous engagement in the region. The message is: a project owner's consultation is a long-term process of building trust and understanding. As obvious as this may seem, experience has shown that there has been a limited number of people working in the mining industry who have demonstrated an ability to implement these basic principles. It is encouraging, however, to see the improvements and the growing number of success stories.

Consultation success requires a desire on the part of the leadership of First Nation communities to engage in the process. Leaders of these communities will be reluctant to engage in consultation if they are concerned that it will turn into a one-way "information only" process, as they have experienced in the past, or if little or no change is likely because they are consulting with staff who are not in a position to

influence real changes with management or at the executive level of the mining company.

With the rapid growth of the oil sands industry in the past decade, the First Nation communities of the Regional Municipality of Wood Buffalo were overwhelmed with requests to "consult." In response, they established, with the assistance of resource companies, Industrial Relations Committees (IRC) in each community staffed and trained to handle the consultation process. Consequently, project consultation in northeastern Alberta has been advanced to a high level of sophistication with the communities and industry fully engaged. Resource companies entering the region join the IRC and, as a result, they are presented with a process to follow in their consultation programs.

Project consultation is a process that lasts the life of the development, and in the Wood Buffalo region, projects are defined in multiple decades in duration. A natural consequence is the direct engagement of Aboriginal people and Aboriginal-owned business in the resource development activities. The track record of the oil sands industry is impressive, with \$2 billion in contracts with Aboriginal-owned companies in the period 1998 to 2006.

Birch Mountain Resources Ltd. has implemented its own unique business arrangement with the formation of Hammerstone Products Ltd., a marketing company owned 51% by Fort McKay First Nation and 49% by Birch Mountain Resources Ltd. Hammerstone Products Ltd. actively promotes limestone products in the

region and receives a fee on every tonne sold from Birch Mountain's Muskeg Valley Quarry and Hammerstone Project. Over the 60-year life of the project, significant benefits will flow to the two shareholders of Hammerstone Products Ltd., measured both in financial terms and community/corporate relations.

For more information:

www.birchmountain.com

Shell's Athabasca Oil Sands Project

INTRODUCTION

The Athabasca Oil Sands Project (AOSP) is a joint venture among Shell Canada, Chevron Canada Limited, and Marathon Oil Sands L.P. It consists of the Muskeg River mine, located about 75 kilometres north of Fort McMurray, Alberta, and the Scotford Upgrader, located near Fort Saskatchewan, Alberta.

The Muskeg River mine sits on Shell's Lease 13, which contains more than six billion barrels of mineable bitumen – an amount that is about twice the conventional oil reserves remaining in Alberta. On Lease 13, the oil sands deposit is close to the surface and contains a high concentration of oil, making it ideally suited to mining.

The construction of the AOSP started in 1999 and the first oil sands ore was processed from the Muskeg River mine in 2002. The project became completely operational in 2003 when the Scotford Upgrader successfully started processing bitumen from the mine. As currently designed, the Muskeg River mine will recover 1.6 billion barrels of bitumen.



Shell also has approval for the Muskeg River mine expansion and Jackpine mine, which will eventually develop most of Lease 13.

Currently designed to produce 155 000 barrels of bitumen a day, Shell announced

plans to increase total AOSP production to more than 500 000 barrels of bitumen a day.



ABORIGINAL ENGAGEMENT IN THE ATHABASCA OIL SANDS PROJECT

Consulting with Aboriginal stakeholders and respecting their concerns is an important part of Shell's business. Shell is committed to working with Aboriginal people to seek mutually beneficial solutions, and supports and participates in initiatives that increase employment opportunities and economic benefits for Aboriginal communities.

In 2006, AOSP spent \$473 million on supplies and services provided by local companies in Wood Buffalo, Fort Saskatchewan, and the Greater Edmonton area. More than \$55 million of total local spending went to purchase supplies and services from Aboriginal companies. Jobs, business experience, and profits will flow into the Athabasca Chipewyan First Nation (ACFN) from a \$97 million catering, housekeeping, and maintenance contract for Albion Village, a 2500-person world-class camp built to accommodate workers on Shell's oil sands mining sites. Shell is also providing transportation and accommodation for members of the ACFN who live 300 kilometres away. The benefits of this contract go far beyond wages. The contract will help the ACFN business group gain valuable business experience and build a track record to support other business ventures.

Shell also contributes to a number of Aboriginal education and training programs, including *BEAHR*, *Trades in Motion*, and *Sunchild E-learning* that are implemented in-community.

Shell's *Statement of Principles* guides its interactions with Aboriginal communities, businesses, and individuals.

Aboriginal Involvement in Monitoring Plans

Integral to the AOSP is a commitment to meaningful consultation with the local First Nations communities to address environmental issues. In 2005, the AOSP management made a set of commitments to the Athabasca Chipewyan First Nation (ACFN) that will build their environmental capacity and strengthen their self-sufficiency, as well as providing opportunities to include traditional ecological knowledge into environmental assessment. The ACFN will have the opportunity to review and affect the design of the environmental monitoring programs.

Preserving Traditional Knowledge

In cooperation with First Nations' Elders living near the oil sands operation, Shell helped implement programs to preserve traditional knowledge, and is initiating another program about the use of traditional indigenous medicinal plants in the Athabasca region.

Moreover, in order to build a bridge between the traditional ecological knowledge and modern environmental science, Shell provides funding for students, selected by the Elders, to attend Keyano College's Environmental Technology program. When they return to the community, they will continue to integrate the knowledge of the Elders, combined with their own academic knowledge, into the monitoring programs.



SUCCESS FACTORS OF ABORIGINAL ENGAGEMENT

Good Neighbour Policy

Building solid relationships takes time and trust. Shell Canada and the joint-venture owners implemented the *Good Neighbour Policy* to develop a mutually prosperous, long-term partnership with people living in its operating area, particularly First Nations and Métis people living close to the Muskeg River mine.

The success factors of Shell's *Good Neighbour Policy* are:

- Earn trust and respect through honest, open, and proactive communication.
- Involve neighbours, including Aboriginal people, in decisions that affect them with the objective of finding solutions both parties view as positive over the long term.
- Operate the AOSP in an environmentally responsible and economically robust manner.
- Use and encourage local businesses, especially Aboriginal businesses, where they are competitive and can meet project requirements.

- Ensure that jobs created by the AOSP are filled by its neighbours whenever possible, but always on a strictly merit basis. To help make this happen, Shell works with its neighbours, contractors, educational institutions, and other producers to develop the skills the AOSP requires.

For more information:

www.shell.ca/aosp

In-community education and training programs:

www.beahr.com

www.nait.ca/pthosted/cit/pdf/NIM_brochure_06.pdf

www.sccyber.net/www/index.php

The Voisey's Bay Project: An Example of Successful Aboriginal Engagement in Newfoundland and Labrador

The Voisey's Bay nickel-copper-cobalt mine provides an example of a project that had an initial troublesome start in terms of its relationships with Aboriginal communities, but has now progressed to the point where it has become a model for the involvement and rapid advancement of Aboriginal groups in the mining industry.

HISTORY

The Voisey's Bay deposit was discovered in 1994 and quickly became known as a world-class nickel discovery. The project was initially run by Diamond Fields International and underwent intensive exploration with the result that, by 1997, several significant deposits had been outlined. The project is located close to Inuit and Innu communities on the coast of Labrador and lies within the land claims of both groups. Early engagements with these groups were not always successful and at times became confrontational. In 1995, the exploration site briefly became the site of a face-to-face confrontation while a later attempt to conduct advanced exploration was blocked through Aboriginal intervention and an injunction.

However, that was the low point in the project's history. In 1996, it was purchased by Inco who proceeded to take it towards development and began a program of Aboriginal consultation, including the negotiation of Impact and Benefits Agreements (IBAs). This culminated in a series of agreements in 2002 in which Inco provided IBAs to the Inuit and Innu groups and also reached an agreement with the Province of Newfoundland and Labrador on the development of the project. This was followed in early 2005 by settlement of the Labrador Inuit land claim. The Innu land claim remains under negotiation.

Construction of the mine and associated concentrator and port facilities started in 2002 and was completed in late 2005. The mine opened about six months ahead of schedule and, with exemplary timing, was able to take full advantage of the recent surge in nickel prices. In 2006, CVRD (now Vale) took over Inco and later formed Vale Inco to manage its Canadian nickel operations, including the Voisey's Bay project.

The main features of the Voisey's Bay site are an open-pit mine, a concentrator, waste rock as well as storage areas, and tailings disposal areas, in addition to an airstrip, port, and concentrate storage facility. Concentrate is shipped out by ice-strengthened vessels.

ENVIRONMENTAL PROTECTION

The project was subject to a comprehensive panel review with representation by the federal and provincial governments, as well as the Labrador Inuit and Innu. The detailed review led to the creation of an Environmental Management Board comprised of government and Aboriginal representatives to provide advice on environmental protection during construction and operation of the mine. The company also instituted an Environmental Protection Plan to ensure compliance with all environmental requirements and incorporating Aboriginal participation.

ABORIGINAL EMPLOYMENT AND TRAINING

Approximately 500 people, of which 54% are Aboriginal, are employed in supporting operations at the mine site. More than 350 Aboriginal people participated in training related to the project. Pre-employment training was offered in communities throughout Labrador through the Joint Voisey's Bay Employment and Training Authority. The IBAs required the establishment of Innu and Inuit Employment Coordinators to facilitate the hiring of Innu and Inuit and to provide project information to local residents. An Inuit Employee Advisory Committee was also developed to provide advice to site management.

In January 2007, the company opened its Skills Development Centre at the mine site. Through this, employees are offered an opportunity to advance their education and to improve their prospects for advancement while staying employed with the company. The Skills Development Centre is the only private work site in Newfoundland and

Labrador to receive Adult Basic Education (ABE) designation.

ECONOMIC/BUSINESS DEVELOPMENT

Vale Inco provides preferential employment and business opportunities for Labrador Aboriginal persons and companies. A total of \$515 million in contracts was awarded to Aboriginal companies during the construction phase of the project. The company also encouraged capacity-building for Aboriginal joint ventures to meet its supply and service needs and, as a result, the majority of its operations contracts are with Aboriginal businesses.

SOCIAL, CULTURAL AND COMMUNITY SUPPORT

Vale Inco supports cultural and community events, has established scholarships that are available to the Innu and Inuit, and is providing funding to schools to encourage attendance and student development. The company has also contributed to the development of new community facilities in the Aboriginal settlements of Nain, Sheshatshiu, and Natuashish.



Raglan Mine - Quebec: An Agreement Designed to Harmonize Relations and Foster Opportunities Between Xstrata Nickel and the Local Aboriginal Communities

PROJECT

The Raglan mine sits upon one of the world's finest sulphide nickel deposits in the vast Ungava Peninsula in Nunavik, some 1800 km north of Montréal (Quebec).



The mine began production in 1997 after more than 30 years of exploration, negotiation, and development. In August 2006, Xstrata PLC acquired ownership of Falconbridge Limited and has been operating the Raglan mine under the Xstrata Nickel business unit since that time. Today, the nickel and copper-producing facility operates three underground mines and one open-pit mine. Once crushed and treated, ore is trucked 100 km to the port of Deception Bay where it is transported by sea for smelting (in Sudbury, Ontario) and refining (in Kristiansand, Norway). Roads are scarce in Nunavik, with the nearest Inuit villages of Salluit and Kangiqsujuaq accessible only by air from the mine site. The current mine life is estimated at more than 30 years.

THE AGREEMENT

In February 1995, the Raglan Agreement was signed between the mine operator, the

"This year's profit-sharing will be again put to good use in developing economic and training opportunities, which will contribute to the well-being of Inuit communities."

Pita Aatami, President of Makivik Corporation, April 2008

Qaqqalik Landholding Corporation of Salluit, the Salluit community, the Nunaturlik Landholding Corporation of Kangiqsujuaq, the Kangiqsujuaq community, and Makivik Corporation, which oversees the political, social, and economic development of Nunavik.

The agreement includes profit-sharing measures and trust fund payments over an 18-year period, with the mine making a payment of \$32.6 million to the Makivik Corporation, representing the local Inuit communities' share of the profits generated in 2007 by the mine. The agreement also guarantees preferential hiring and contracting to local, qualified Inuit employees and businesses. The Raglan Committee meets several times each year to discuss environmental concerns and report on the progress of the agreement. Inuit representatives from Salluit, Kangiqsujuaq, and Makivik Corporation occupy half of the committee's six seats with mining company officials holding the balance.

EMPLOYMENT AND TRAINING

Overall, the Inuit employment rate at Raglan is about 16%. Employees are flown in from surrounding communities for two-week shifts, followed by two weeks off, and are housed in a 580-room, hotel-style complex. The facility contributes to further employment by contracting to a number of Inuit-owned companies and joint ventures

that provide goods and services to the mine. Training programs aim to provide further opportunities. The Raglan Employment and Technical Training Committee (RETTTC) has developed an aggressive Inuit training plan in an attempt to employ Inuit workers at all skill levels and increase the Inuit representation to over 20%. Raglan's Inuit employment and training officers cooperate with local agencies to find job candidates for the training program. Raglan has organized awareness activities in all 14 of Nunavik's high schools to discuss with students future mining-related jobs and careers at the mine. Furthermore, to reinforce this initiative, the Raglan Education Fund provides scholarships for post-secondary studies in mining-related fields.

ECONOMIC/BUSINESS DEVELOPMENT

Since the beginning of its expansion process four years ago, the Raglan mine is proud to note that its sustainable development strategy, as mentioned in the Raglan Agreement (1995), has concretely materialized in terms of the mine's contribution to the Nunavik economy and its communities. In fact, not only has the annual profit-sharing program increased since 2004 for its Inuit stakeholders, but the mine's Inuit business partners (contractors and joint ventures) have also seen their accrued interests double since they were awarded contracts from Raglan. The mine's direct contribution to Nunavik's economy is forecast to be \$130 million by the end of 2007; this includes profit sharing with stakeholders, employees' salary earnings, and business contracts with Inuit companies and joint ventures.

SOCIAL/CULTURAL AND COMMUNITY SUPPORT

In an attempt to ease the strain of separation from families and isolation at the mine site, Inuit workers are flown to their home communities at the end of each two-week shift. Cross-cultural training programs, career counseling, and employee assistance programs are designed to address the current and future needs of Inuit and non-Inuit employees. Access to a freezer and kitchen facilities for storing and preparing country food are available to Inuit employees.

ENVIRONMENTAL PROTECTION

After extensive baseline studies, the Raglan project was designed to minimize water effluent, water consumption, and air emissions while containing acid mine rock and providing for progressive reclamation of tailings. The six-member Raglan Committee, with 50% Inuit representation, meets several times each year to discuss mine-related environmental issues. In order to protect the fragile sub-Arctic permafrost, the workers' residence stands 40 feet above the ground on steel pile foundations.

Also, in collaboration with the two neighbouring Inuit communities, Raglan conducted an Arctic char monitoring program by integrating their traditional knowledge into a Joint Scientific Fishing Program. In fact, traditional Inuit knowledge of the environment was also a factor in environmental impact assessments prior to mine operation, with local knowledge of Arctic chars and of marine mammal migration patterns (e.g., for seals) resulting in Raglan's decision to shorten the shipping season and avoid ice breaking from March to June in Deception Bay.

REFLECTIONS ON WHAT WORKED

There are a number of factors that can be identified as having contributed to a successful agreement and partnership with the local Aboriginal communities. These include the following:

- Clearly defined rights of ownership over the land established as part of the James Bay and Northern Quebec Agreement, ratified in 1975.
- The existence of an organization representative of the people that could negotiate on their behalf and a fairly stable political structure within the communities.
- Early contact with and involvement of local communities, which created a climate of trust and a feeling of ownership by all over the process.
- A well-defined procedure for feedback and monitoring implementation of the agreement.
- An ongoing joint planning and information-sharing mechanism between the company and key partners relating to training and employment, which provided a forum for understanding each other's perspective.
- Regular information sharing between the company and the partners in the communities and Makivik.
- In March 1993, Falconbridge and Makivik Corp. signed a memorandum of agreement that set out the discussion points for what would become the first IBA negotiated between a mining company and Inuit groups.

"We are proud of our strong relationship with the local communities and remain committed to fostering effective engagement with all stakeholders."
Ian Pearce, Chief Executive Officer of Xstrata Nickel, April 2008

For more information:

www.xstrata.com

Uranium Mining in Saskatchewan

The mining industry has a long and positive history of employing Aboriginal workers, stretching from the 1950s' mining camps in the Uranium City-Goldfields areas to the current uranium and gold mines.

Saskatchewan's mining industry is an internationally recognized leader in both employment of Aboriginal workers and in developing business industries with Aboriginal communities in support of mining activities.

Mining companies continue to improve on this record, with increasing numbers of Aboriginal people employed in senior management positions at their mine sites. Year-end statistics for 2006 show that Northerners held 51% or 1266 of 2459 jobs directly related to northern mining. Eighty-nine percent of northern mining employees were of Aboriginal ancestry.

The uranium mining industry has also encouraged the development of joint ventures between experienced southern contractors and Northerners in order to help Aboriginal and northern businesses gain experience and access opportunities to supply goods and services. Areas of successful joint ventures include trucking, catering, security, janitorial, construction, and underground mine development services. In 2006, the value of goods and services purchased by the uranium industry was \$530 million, of which \$217 million (41%) was paid to businesses based in northern Saskatchewan.

Saskatchewan policy for the mining industry in the North is to encourage best efforts in providing socio-economic benefits such as employment to Northerners. The programs and regulatory instruments developed in cooperation with industry, Aboriginal communities and representative agencies include:

HUMAN RESOURCE DEVELOPMENT AGREEMENTS

Human Resource Development Agreements (HRDA) are a requirement of Surface Lease Agreements signed by operating mining companies. The HRDA is negotiated between the mining company and the province and commits both parties to undertake best efforts to work to provide business and employment opportunities for northern residents.

NORTHERN LABOUR MARKET COMMITTEE

This committee, made up of representatives of communities, Aboriginal organizations, operating industries, the provincial government, and the federal government, examines employment opportunities in the region and plans training programs to match those opportunities.

MULTI-PARTY TRAINING PLAN (MPTP)

The MPTP is a partnership between the mining industry, Aboriginal organizations, communities, and the provincial and federal governments that is designed to provide training for employment opportunities for northern residents in the mineral industry. Training programs are developed for identified opportunities and timed to the need for those occupations in the industry. Initially established for a five-year term, it continues to be renewed.

ENVIRONMENTAL QUALITY COMMITTEES (EQC)

These committees interact with the government and mining industry to provide input into uranium mine operations throughout the mine's life cycle. Committee members are appointed by communities and bring forward concerns of the affected communities to the government and

industry, and communicate information on mine practices back to the communities.

NORTHERN STRATEGY

The Northern Strategy, negotiated between northern leaders and the provincial government, outlines a broad economic development strategy for northern Saskatchewan. It recognizes the importance of working in partnership with Aboriginal organizations and other representatives to develop the northern economy and improve opportunities for northern residents. These tools have strengthened the mutually beneficial relationship among the mining industry, government, and northern

communities. In effect, the Saskatchewan approach is not a mine-by-mine approach; rather, it is a regional approach. Individual companies sign HRDAs that commit those companies to improving northern employment and business opportunities. The Northern Labour Market Committee coordinates training requirements with educational institutions, companies, and communities. Funding is provided through the Multi-Party Training Plan. The EQC ensures that environmental and socio-economic concerns are communicated and addressed between the mining industry, government, and northern communities.

The Minto Mine Project: An Example of Successful Partnering Between First Nations, Government and Industry

INTRODUCTION

The Minto mine is a high-grade copper-gold mine that commenced commercial production on October 1, 2007. Located 240 km north of Whitehorse, the mine is an open-pit operation with significant copper, gold and silver reserves. Concentrates are exported via the Port of Skagway, Alaska, to smelters in Asia for treatment and sale. In addition, significant exploration potential exists on the Minto property and aggressive exploration programs conducted by Sherwood have met with considerable success.

This is the first new hard rock mine to go into production in the Yukon in the last decade. Sherwood Copper began commercial production at the Minto mine only two years after acquiring the property. The success of this project is, in large part, due to the positive and cooperative relationship between Sherwood Copper, the Selkirk First Nation who holds the mineral rights, and the Government of Yukon.

Mineral rights over most of the Yukon are held by the territorial government. In areas where a Yukon First Nation has settled a land claim, there may also be lands with mineral title held by the First Nation. Some of these lands (referred to as Category “A” Settlement land) are subject to existing mineral claims held by third parties. As part of the negotiated Final Agreements, the Yukon government continues to administer the mineral claims on settlement land through the encumbering rights provision. This provision provides government with the ability to manage the claims under the authority of the *Quartz Mining Act*. In this situation, permitting, licensing and collection of royalties continue with the Yukon government. Royalties paid on

Category “A” Settlement lands flow to the respective First Nation.

FIRST NATIONS AND INDUSTRY WORKING TOGETHER

The Minto mine is proceeding with full participation from the Selkirk First Nation. The mine and the Selkirk First Nation have negotiated a 0.5% net smelter royalty on mine production, and have entered into a Cooperation Agreement that ensures local employment and contracting opportunities for First Nation businesses, as well as training on construction, mining, and processing plant jobs.

The Minto/Selkirk First Nation Agreement also covers environmental issues. The Yukon government played an important role in guiding the Minto mine through the permitting process. While holding Minto to strict environmental standards, Yukon has worked with the mine proponents to facilitate an efficient review process. This is consistent with Yukon’s commitment to develop a positive and robust investment climate as a result of the settlement of land claims and devolution, and a solid partnership between Yukon and First Nations governments. Minto Exploration's plans to accelerate the project have been made easier by a willing and supportive Yukon investment environment. The Government of Yukon helped the company work quickly through the permitting process and assisted the Selkirk First Nation with funding for implementing the Cooperation Agreement between Minto Exploration Ltd. and the Selkirk First Nation.

A NEW PARTNERSHIP

In February 2006, a Memorandum of Understanding was signed between the Yukon government and the Selkirk First Nation that paved the way for a cooperative and collaborative working relationship between the two governments.

The partnership is designed to ensure that the Minto mine development provides opportunities and benefits for the Selkirk First Nation and its members, as well as for Yukon and the people and businesses of the territory.

The Memorandum of Understanding between the Selkirk First Nation and the Yukon government outlines how the two governments will work cooperatively on matters related to the new mine and on the power line extension to the mine from the main transmission line currently being constructed from Carmacks to Pelly Crossing.

Highlights of the MOU include administration of encumbering rights, fiscal arrangements, regional development impacts and opportunities, and the use of land in Minto and Pelly Crossing.

The Yukon government and the Selkirk First Nation have demonstrated their commitment to implementing the MOU. This is a large project that has come to the First Nation's traditional territory and both governments are working hard to ensure that this project will provide meaningful business opportunities, employment, and other benefits to Selkirk First Nation citizens and to all Yukoners.

The Minto mine demonstrates how Yukon is developing a positive and robust investment climate as a result of the settlement of land claims and devolution, a competitive

regulatory process, and a solid partnership between the Yukon and First Nation governments.

The Minto mine may be the first new hard rock mine to go into production in the Yukon this century, but its success bodes well for future major mine projects.

LESSONS LEARNED

- Good consultation can be done alongside timely regulatory decisions.
- A clear, concise framework that sets out First Nation land ownership and rights aids with the decision-making process and relationships with partners.
- Clarifying communications and consultation obligations in final agreements and Memoranda of Understanding to all parties is crucial for success.
- All parties fostering good communications with themselves and others increase the chance of a successful partnership.
- First Nation capacity challenges require effective communication efforts by all parties to seize opportunities and achieve positive outcomes.

For more information:
www.sherwoodcopper.com/s/Home.asp



The Minto mine – ore storage and mill structures

The Restoration of Abandoned Mining Exploration Sites in Northern Quebec: A Partnership Between the Provincial Government, Inuit and Industry

The restoration of 18 abandoned mining exploration sites is being undertaken in Northern Quebec (Nunavik) as the result of a partnership agreement between the Government of Quebec (the Ministère des Ressources naturelles et de la Faune), the Kativik Regional Government, Makivik Corporation, and the Nunavik Restor-Action Fund. This Fund brings together many organizations, including more than 30 companies currently active in Quebec.

The restoration process will include removing hazardous materials and on-site burning of combustible and non-toxic debris. The total cost of the clean-up is estimated at \$4.1 million and contributions are coming from the Quebec government, the mineral industry, and Makivik Corporation. The restoration is expected to be completed by March 31, 2012, at the latest and is under the management and responsibility of the Kativik Regional Government.

Alleviating the environmental impacts caused by these abandoned mine sites was a priority for the local communities and the Quebec government. Working together and being joined by the industry in a creative partnership is a step further for the respectful and sustainable development of Northern Quebec.



For more information:

Denis Blackburn

Ministère des Ressources naturelles et de la Faune
Government of Quebec
Tel.: 418-627-6365, ext. 5472
denis.blackburn@mrfn.gouv.qc.ca

Michael Barrett

Kativik Regional Government
Tel.: 819-964-2961
mbarrett@krg.ca

Findings of the Workshop on Aboriginal Engagement

OVERVIEW OF THE WORKSHOP

On June 6, 2008, Natural Resources Canada's Minerals and Metals Sector, in collaboration with the Aboriginal Engagement Task Group, held a one-day workshop in Ottawa. The key goals of the workshop were to review the case studies related to Aboriginal engagement in mining and energy and to discuss critical success factors and key challenges that hinder successful engagement. Over 65 key mining and energy participants representing Aboriginal organizations, federal, provincial and territorial governments, and mining and energy industries attended the workshop. Representatives from the jurisdictions made presentations in the plenary session on their case studies and lessons learned. Following the presentations, participants were asked to discuss the cases and identify the critical success factors and key challenges. This section summarizes the outcomes of the discussions.

CRITICAL SUCCESS FACTORS FOR ABORIGINAL ENGAGEMENT IN THE MINING AND ENERGY SECTORS

Once the participants had discussed all of the case studies and identified critical success factors, they were asked to identify which factors they believed were the five most important ones. In the plenary session, each table presented the five factors they had identified.

In all, 19 critical success factors were identified by the participants (Annex I). In order to prioritize the perceived importance of each factor, the participants were invited to vote on which they felt were the most critical to successful engagement. Following are the top five that received the most votes:

- *There must be effective communication and information sharing between all parties involved in mining and energy projects. All parties should be prepared*

to engage in discussions on a regular basis and should strive to communicate effectively and clearly. There should be a continuous flow of information and the information-sharing process should be transparent and open.

- *All parties must be fully committed to the engagement process. Engagement with Aboriginal communities should occur at an early stage in the life cycle of a project and, whenever possible, certain related activities (e.g., information sessions) should take place with the entire community. There should also be follow-through and follow-up on all commitments with communities, and care must be taken to ensure that all potentially affected groups at the grassroots level are informed and involved.*
- *The capacity in the communities must be developed and sustained throughout the life cycle of a project. The capacity for Aboriginal communities to be engaged successfully can be developed via training and job creation. Acquiring new skills will provide community members with long-lasting benefits.*
- *Engagement frameworks for working with Aboriginal communities need to be clear, open, and flexible. Frameworks and protocols must take into consideration community values, adopt a community's perspective, be responsive, and be developed using a consistent approach.*
- *The values and the social, economic, and political structures of the communities need to be clearly understood by industry and stakeholders. This includes understanding the expectations of the communities, their political complexities, and key community concerns (e.g., environmental, health, etc.).*

Although the results of the voting clearly identified the top five critical success factors, the additional factors (listed in Annex I), as well as others not identified at the workshop, are essential for fully engaging Aboriginal peoples and communities in the mining and energy sectors and could vary by context and by jurisdiction.

KEY CHALLENGES TO SUCCESSFUL ENGAGEMENT

In the second half of the workshop, participants were asked to identify key challenges to successful Aboriginal engagement (Annex II). The analysis of the points raised during discussions revealed that there were five key challenge themes. (These themes were identified by categorizing and organizing the specific challenges raised by the participants.)

- *The lack of capacity in areas that are essential for successful engagement.* Many Aboriginal peoples and communities do not have a full understanding of the mining and energy industry. Key players lack proper human and financial resources and do not have the expertise to fully understand all issues related to mining and energy projects and Aboriginal engagement, including the capacity to fully understand the ramifications of contracts.
- *Not effectively managing the expectations of key players.* Many groups have unrealistic desired outcomes when mining and energy projects are undertaken. Engagement can be negatively affected when community and industry expectations are poorly managed, thus leading to disappointment

and a break in the trust between the parties.

- *Unsettled land claims and treaty issues.* Unsettled land claims, unresolved treaty issues, and treaties that are out of date create uncertainty and have an impact on engagement. Aboriginal communities, through territorial stewardship, are responsible for taking care of the Land for present and future generations. Unsettled land claims impede opportunities for development by limiting the ability of Aboriginal communities to determine what the best approach is for attaining economic growth for their people while ensuring respect for the Spirit of the Land.
- *Not being able to identify who should be contacted by the industry during the engagement process.* In many Aboriginal communities, it is not clear who should be contacted when a company wants to initiate a mining or energy project. It is often difficult to identify and communicate with the key people and representatives from the rights-bearing community. In some instances, the best approach would be to contact the Chief and Council; in other situations, it may be necessary to meet representatives from the economic development group in the community.
- *Government “red tape.”* Red tape challenges include the differences in jurisdictions from province to province, and issues with legislative frameworks, acts, and regulations. The details required on each project become burdensome, and the length of time to obtain responses from the government causes many delays in the activities related to mining and energy projects.

Conclusion

The case studies and lessons learned presented in this compendium demonstrate that proactive and mutually beneficial relationships are taking place between governments, Aboriginal communities, and the industry in all jurisdictions. It is also recognized that a wide range of tangible benefits can flow from positive relationships with Aboriginal communities in mining and energy development. These benefits include employment, economic and business opportunities, and improvement in community infrastructure and training. The case studies also illustrate that there is no uniform model of engagement; approaches must be adapted to the local context.

Discussions at the stakeholders' workshop around the case studies pointed to critical success factors and key challenges that served to illustrate what can be done to successfully engage Aboriginal peoples and communities in the mining and energy sectors. According to the workshop participants, key elements for successful Aboriginal engagement are: open and transparent communications, high levels of

commitment, adequate Aboriginal capacity, a flexible framework, and mutual understanding. A certain number of challenges were also identified by the workshop participants. Among the greatest challenges were the lack of Aboriginal capacity, the ineffective management of expectations, unsettled land claims and treaty issues, not knowing who to consult, and government "red tape" issues.

As highlighted in the case studies, governments, Aboriginal peoples, and the industry are increasingly working together towards sustainable mining and energy development that can lead to self-reliant communities through partnerships, employment, skills development, and joint ventures. This progress provides a good base for enhancing the growing relationships between all players. However, it is recognized by all stakeholders that Aboriginal engagement in the mining and energy sector is complex and that there are still challenges that will require continuing collaborative effort to overcome.

Annex I

Critical Success Factor	Detailed Description of Each Critical Success Factor Given by the Tables	# of Votes
1) Establish the Type of Process: Political or Pragmatic	<ul style="list-style-type: none"> Need to determine if the process is political or pragmatic. 	0
2) Involve the Right People	<ul style="list-style-type: none"> Ensure the right people are involved and the right people are “at the table.” (This may include rights holders, decision makers, and stakeholders.) Ensure the people “at the table” are the same over the longer term. 	17
3) Clarify Objectives	<ul style="list-style-type: none"> Obtain a clear understanding of the objectives of all parties. 	6
4) Ensure Effective Communication and Information Sharing	<ul style="list-style-type: none"> Communicate effectively and clearly and be prepared to engage in discussions (especially with respect to the framework). Ensure there is transparent and open information sharing. Ensure there is a continuous flow of information. 	26
5) Commit to the Engagement Process	<ul style="list-style-type: none"> Need to commit to the engagement process, follow through on it and ensure there is follow-up. 	23
6) Engage Early	<ul style="list-style-type: none"> Ensure engagement is done regularly and at an early stage. 	3
7) Develop Understanding of Communities	<ul style="list-style-type: none"> Ensure there is understanding of: <ul style="list-style-type: none"> the values and expectations of the communities; the cultural and political complexities of the communities; and the socio-economic, environmental, health and cultural situation of the communities (this needs to be understood especially well by industry and government). 	20
8) Use a Consistent Approach	<ul style="list-style-type: none"> Ensure a consistent approach is taken. 	0
9) Build Capacity	<ul style="list-style-type: none"> Ensure capacity building is done when it is required. Ensure communities are involved in the capacity-building process. Capacity should be built and supported throughout the life cycle of the project. Capacity building may include improving governance structures. Ensure funding is provided for capacity building. 	23
10) Build Relationships Early	<ul style="list-style-type: none"> Ensure relationships are built at an early stage. (Note: Legal representatives should not be involved at this stage.) 	5
11) Recognize and Respect Rights and Treaties	<ul style="list-style-type: none"> The rights of communities should be recognized. Aboriginal and treaty rights and titles should be respected. 	18
12) Use Adaptive and Flexible Approaches	<ul style="list-style-type: none"> Approaches should be adaptive. Approaches should be flexible as projects move forward. 	0
13) Ensure Next Steps Are Clear	<ul style="list-style-type: none"> Next steps should be clear. 	2
14) Make Long-Term Commitments	<ul style="list-style-type: none"> Long-term commitments should be made that go beyond the life cycle of a project. 	9
15) Manage Expectations	<ul style="list-style-type: none"> Expectations should be managed effectively. 	7

16) Use an Open and Flexible Framework	<ul style="list-style-type: none"> • The engagement framework should be open, transparent, flexible, responsive, and developed using a consistent approach. 	21
17) Develop Appropriate Agreements	<ul style="list-style-type: none"> • Agreements and accommodation must be appropriate to the state of the discussions (i.e., Memorandum of Understanding [MOU] versus Impacts and Benefits Agreement [IBA]), and must be mutually beneficial. 	7
18) Ensure There Is Respect	<ul style="list-style-type: none"> • Ensure there is respect between the different groups. 	10
19) Build Trust	<ul style="list-style-type: none"> • Trust should be built and maintained throughout the entire life cycle of the project. 	7

Annex II

Challenge Theme	Challenges Identified by the Tables
Lack of Capacity	<ul style="list-style-type: none"> • There is a lack of capacity on all sides (especially with respect to the lack of human resource and financial capacity/expertise). • A number of the First Nation groups do not have the capacity to fully understand the ramifications of contracts, deals, etc. • The capacity does not exist to determine who to contact to get funding. • There are issues with staff turnover (across the board), a lack of knowledge of the industry, and a lack of financial capacity. • There is a lack of capacity in communities (especially small, rural communities), government and industry to understand issues clearly. • There are a number of small communities that have limited human resources.
Managing Expectations	<ul style="list-style-type: none"> • Many groups have unrealistic expectations. (This challenge was raised by two of the eight table groups.) • A key challenge is being able to manage and control expectations. • Political expectations need to be more effectively managed.
Land Claims and Treaties	<ul style="list-style-type: none"> • Unsettled land claims. (This challenge was raised by three of the eight table groups.) • The lack of certainty with respect to outstanding assertions and unsettled land claims. • There are historical treaties that have lost their relevance. • Aboriginal communities through territorial stewardship are responsible for taking care of the Land for present and future generations. Unsettled land claims impede opportunities for development by limiting the ability of Aboriginal communities to determine what the best approach is for attaining economic growth for their people while ensuring respect for the Spirit of the Land.
Consultation Challenges	<ul style="list-style-type: none"> • In many Aboriginal territories, it is not clear who should be contacted when one wants to initiate a mining project. • It is difficult to identify and communicate with the key people and representatives from the rights-bearing community. • There is a lack of clarity with respect to “duty to consult.” • In some instances, the best approach would be to contact the Chief and Council; in other situations, it may be necessary to meet with representatives from the economic development group in the community. It is important, as well, to consider claims to traditional territories that may be held by individuals or families, as opposed to the community as a whole. In these cases, industry could meet directly with the individuals or families, or could reach out to them with the assistance of a community representative.
Government Red Tape	<ul style="list-style-type: none"> • Government red tape is a key issue. (This challenge was raised by two of the eight table groups.) • Red tape challenges include: i) differences in jurisdictions from province to province; and ii) issues with legislative frameworks, acts, and regulations. • The details required to follow through on each project become burdensome, and the length of time to obtain responses from the government causes many delays.

Other Challenges	<ul style="list-style-type: none">• Key players (on both sides) change and political agendas change.• There is a lack of federal and provincial government coordination.• There is unstable leadership.• There is a lack of government and industry understanding of, and commitment to, the socio-economic development of communities.• There is no shared understanding of intent.• The political/pragmatic agenda needs to be separated.• Inevitable social and economic dislocations.• The fact that most mines are small, marginal, and short term.• There is a lack of cultural awareness.• There is a history and legacy of a lack of trust.
-------------------------	--

