

“Aboriginal Relations on the Super Cycle”

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Thank you for inviting me to speak. Given the current super cycle of the mining sector, there is no doubt an interest shown not only in Canada but globally in the issues related to access to minerals and lands for mineral exploration, and the issues associated with gaining approvals from Aboriginal communities.

Brief history of CAMA

This year, the Canadian Aboriginal Minerals Association (CAMA) will celebrate its 15th year of existence. CAMA was formed in 1991 and federally incorporated as a not-for-profit in 1992. Today we have more than 200 members, comprising interested Aboriginal communities, mining companies, governments and suppliers.

We grew out of a handful of Aboriginal leaders and community people who wanted to see a change on the Canadian landscape. In the early part of the 1990's we saw the fallout of the OKA Crisis. We saw the federal government's response...a plan, consisting of a new approach to land claim settlements. We saw up until that point, some 300 land claims filed with government. With new mineral discoveries, such as the diamond discovery (Lac Des Gras) and a little later Voisey's Bay, and emerging environmental assessment processes, the mining industry, as well as communities, was in a state of UNCERTAINTY. Governments were settling very few land claims, mining companies were not getting projects approved and the climate was that of confrontation. Something had to be done!

In 1991, CAMA conducted surveys with some 350 communities, traveled throughout the country, met with numerous Aboriginal and Industry leaders, participated in resource forums, and organized ourselves as a key conduit for Aboriginal voices into such initiatives such as the Whitehorse Mining Initiative, RCAP and others. While today, there has been some forward movement, we were, in part, successful in tabling some general Aboriginal community positions on mining.

Some key points from our travels were and still are:

ECONOMICS

- Aboriginal communities are not opposed to mineral development provided they can participate in decisions affecting lands, benefit from projects and grow as projects are successful.

PARTICIPATION

- Aboriginal peoples require mine proponents to negotiate formal access, impacts and benefits agreements and to jointly implement those agreements.

ENVIRONMENT

- Aboriginal peoples will not support projects which cause irreversible damage to the lands, the peoples' livelihood or the community well-being.

DECISION-MAKING

- Aboriginal peoples have and will always have some significant and/or residual interest in lands and resources, be it both in treaty or non-treaty areas and they are adamant to be involved in decisions and benefits from their lands.

REVENUE SHARING

- Aboriginal peoples, while the words 'surrendered' are used in many treaties (government to government, nation to nation), the right to use lands for subsistence (hunting, trapping), and the air or minerals were never relinquished, hence they never lost the right to SHARE in the rewards from mineral development.

The courts continue to affirm the direction outlined by these key points and government is slowly changing their policies to accommodate Aboriginal community interests. Meanwhile, as industry is held hostage, in some parts of Canada, the governments and the courts address infringement. But, our role at CAMA has been to facilitate relations between companies and communities, primarily through working through win-win agreements; some might call them Participation Agreements, others Impact and Benefit Agreements, Access and Benefit Agreements and so on. In the early days, it was like pulling teeth to negotiate, however today it is the norm; but the implementation of these is the real challenge today. The agreements have also changed in the past 15 years as well.

CAMA Aims, Objectives and Trends ... past 15 years in Community - Company Relations

More than a decade ago, "Aboriginal participation in mining" implied a process where government and industry were struggling with a means for getting more Aboriginal people from a tiny reserve or village communities involved in mining, primarily in the workforce or as contractors. Mining companies negotiated agreements focusing on employment quotas, some contracts, some training and some involvement in environmental management (sampling!). Governments provided prospector training, all in an effort to help pave the way for mineral development.

However, today there is a new twist. Today the Aboriginal community is defined as the entire territory, often defined and affirmed by courts and the land claims process (and is in some cases being 1000's of sq km). What many communities are talking about is "Mining company participation in the Aboriginal community"! The challenge for industry now is how to get involved in the community, for example: to seek input on an environmental assessment, a closure plan, an infrastructure plan, water uptake, etc...(as a part of the permitting process!). Today, mining companies and communities are negotiating agreements providing for decision-making committees, socio-economic programs, human resource strategies, and revenue sharing (such as royalties), just to name a few. Not only that, some communities are investing their own monies in equity, joint ownership and other aspects that one might see in company to company arrangements (as we see in 'Option Agreements').

Despite these strides and the efforts of industry (I am told there are now more than 60 agreements across Canada), we still have the age-old problems as a burden to all of this goodwill.... Some of these are:

- Many Land claims still remain outstanding, reported at some 1000 today, primarily specific claims and some comprehensive;

- Governments often do not recognize or understand treaties which have been around for more than 100 years and continue to fight Aboriginal peoples (through the courts) on the intent and meaning;
- Finally, the mining industry still has an image problem; hence the challenge is in making the industry an attractive, safe, environmentally friendly option for communities to consider as a catalyst to help them grow.

Where we are today based on what we hear from the Community.

"It's been there for a long time [mineral deposit]. Why the sudden rush?"

We hear this often. It can say a lot about the lack of understanding many communities still have about the industry. Not surprisingly, because many from the community have hunted or have a traditional interest in this common territory, many have seen 'rust', many have seen metal, and some have reported diamonds, whether told or not to outside prospectors. Given its presence, the lack of economic understanding, along with metal price cycles, ups and downs, the urgency of a company to develop is totally foreign to many. Some community members remember the last rush, only never to see the company ever again. When and if the company does show up again, there is a lack of trust...many communities have been dealt a raw deal by the mining sector. Sure, while agreements are being negotiated today, there is still a sense of mistrust and concerns whether the community will be better off this time round.

This leads me to another "never trust a mining company". Too often companies are not coordinated in their communications and blunders do happen. Often miscommunication is the root or there is lack of a demonstrated commitment to the community. Our experience has shown that often once a deal is done and the permits are in place, the community is sometimes forgotten by the company, communication fails and agreements do not get implemented.

Another view often heard...

"They have to consult us and provide benefits to us"

Consult has many meanings. Some communities are now saying that a company must obtain the consent of the community before any development. Consent for many can be in the form of an agreement on impacts, benefits, revenues and decision-making. While the governments have delegated consultation to industry in many parts of Canada, the provincial and federal governments MUST consult; meaning entering into two way communication and joint decision-making with communities on mineral development.

Gaining Support, for the community, for the project, for an enduring partnership!

Today we are witnessing two historic trends, one of a vibrant and some would say robust mining sector, and another, an ever increasing recognition of Aboriginal communities as key decision makers in Canada's resources industries.

The mining industry is experiencing a period never seen before with record metal prices, Nickel over \$15, copper recently over \$3.50, gold over \$600, ...and others (zinc, moly, uranium and so on)...there appears to be a mad rush to explore, develop and produce metals...some say in response to lower world supplies and increased demand from China. In all of the 15 years since we created CAMA, we have never seen such activity. Along with this, there is a flurry of permits

and applications to government, a flurry for raising money (billions) on the stock markets, a flurry of company mergers and acquisitions, becoming bigger....its a huge party for industry!

BUT while the party goes on in one room, the other truth is that the Aboriginal community's prosperity may not be keeping pace; there is an ever increasing movement for Aboriginal peoples' in the consent, co-management, and decision-making in Canada's resource projects.

While some communities are participating with companies (agreements are in place and being implemented), some are only learning how to seize the opportunities of the industry on their traditional lands; while for many others, there is only the desire and wish to get in on the action.

The reality is that many Aboriginal communities are struggling to respond to the fast and furious pace of industry and to the needs of the resource's sector while trying to maximize benefits and minimize negative impacts for their communities.

Can Aboriginal communities seize current opportunities, or depending on your beliefs, of the economic cycles (some may say the super cycle)? Will the commodity prices fall, leaving the communities without an opportunity to benefit?

At the end of the day, when dust has settled, there is still only one community...the Aboriginal community. Metal prices will fall, mines will close....

- Will communities be better off this time in the current economic cycle? and
- Will mining companies leave a positive legacy in the Aboriginal community?

At CAMA we have long strived to bring Aboriginal communities and mining companies together under a true meaningful and equitable partnership, ideally one relationship of mutual benefit, mutual decision-making and mutual growth.

Given the direction of the courts, why can't industry develop a policy outlining their commitment to communities and recognition of aboriginal interests in lands where they operate?

I often get asked by Aboriginal leaders, 'Have things improved in Canada from when CAMA was created more than 15 years ago (in regard to industry and community relations)?' I can say comfortably that in the past 15 years:

- Relations have improved greatly;
- Many Aboriginal communities are developing and have developed strategies to embrace the industry as a component for economic and community development;
- Industry generally has become more aware of communities, their desires and aspirations;
- Agreements have been made;
- The learning trend continues as both learn to implement and tackle the need to grow together.

The true test of whether an agreement between a company and a community is successful is that at the end of the day, when the flurry of industry activity has subsided, and when some mines have closed....we will still only have one community...The Aboriginal community:

- Will they be better off?
- Will they be the key beneficiary at the end of the day, and embrace the mining sector as a component of their economic development and growth?

The Role of CAMA in the Future???

When we started CAMA, one of our objectives was to facilitate partnerships for the benefit of all. While the road is still long, we have done this successfully. We also wanted communities to learn from each other about what works, what doesn't, "Whose who in the Zoo" and basically create an information sharing network. I think we've partially accomplished this. Yes, while there may be more than 60 agreements between communities and industry in Canada today, and yes there are more Aboriginal people employed by Industry or with established businesses to support mining, today there is still a need for much of the work we started out with...

- Community education
- Mining company education
- Facilitation of communication and negotiations.

The economic cycle has maintained the need for CAMA. Add to this the ever increased uncertainty of unsettled land claims.

The work does not stop, but with each wave we all learn, and with each learning curve, we will see Aboriginal communities and companies prosper together.

I hope to see you all again in November.

Thank you

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