

Layers of possibilities



Presentation to Expert Panel

November 28, 2016

KGHM

KGHM Operations and Projects

Underground Operations

- Lubin, Rudna, Polkowice-Sieroszowice Mines (PL)
- Morrison Mine / McCreedy West Mine (ON)

Open Pit Operations

- Carlota Mine (AZ)
- Robinson Mine (NV)
- Franke Mine (Chile)

Projects

- Sierra Gorda Project Phase II
- Ajax Project
- Victoria Project (Underground)

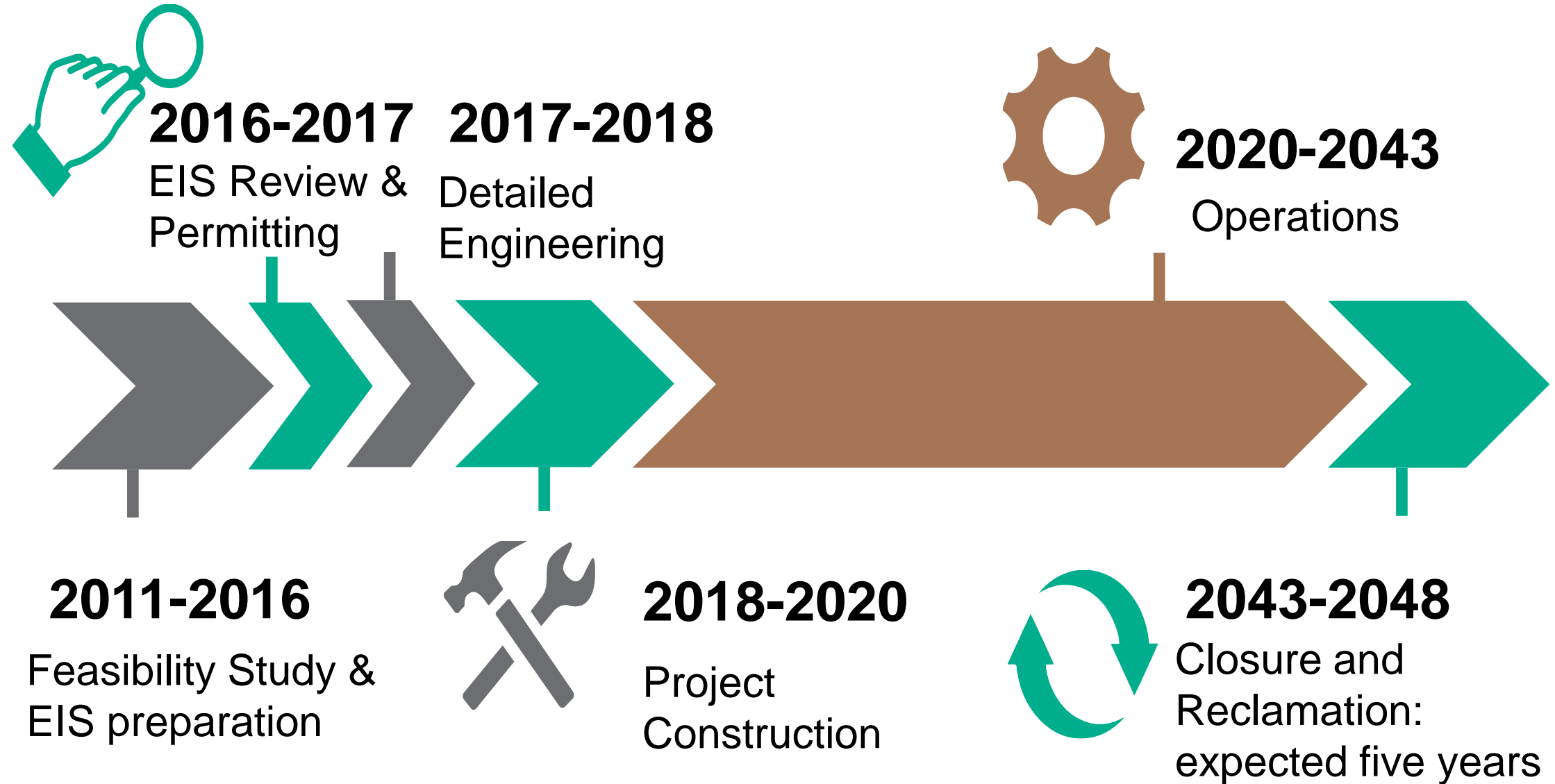


Project Overview

Our vision is to develop a world-class mine that is safe, profitable, and environmentally responsible – a project that will create economic benefit and lasting positive legacies for First Nations, governments, and the people of Kamloops, British Columbia, and Canada.



Project Development Schedule



Ajax Project Federal Environmental Assessment Process Highlights

- The Ajax Project is subject to both provincial and federal EA processes.
- The Project is being reviewed as a comprehensive study under the former Act (CEAA 1992), triggered by requirements under the Fisheries Act and the Explosives Act.
- The federal scope of review includes all activities and physical works associated with proposed construction, operation, and decommissioning of the Project.
- The process is being conducted under the now expired bilateral Canada-BC Agreement for Environmental Assessment Cooperation.
- The EIS was submitted in January 2016 and is currently under review by the federal review team.
- The federal review clock has been stopped since March 21, 2016 (Day 212 of 365), when initial Information Requests were issued.

A photograph of two workers in safety gear standing at a mine site. The worker on the left is a woman wearing a brown hard hat, safety glasses, a dark jacket with reflective stripes, and dark pants. The worker on the right is a man wearing a white hard hat, a dark jacket with reflective stripes, and dark pants. They are standing on a rocky, uneven ground. In the background, there are hills and trees under a cloudy sky. A large, semi-transparent green pyramid shape is overlaid on the right side of the image, partially covering the workers and the landscape.

We've Listened

As a responsible member of our community, KGHM believes that engagement with Aboriginal Groups, local governments, the general public and stakeholder groups is a critical component of Project development.

Public Engagement Activities

- Dedicated staff and Project office information area
- Community information sessions / open houses
- Community Advisory Group mandated by BC EAO
- Print media, fact booklets, project website, PlaceSpeak, social media
- 3D models
- Small interest group and stakeholder technical sessions
- Site tours
- Media relations and communication

Public Comment Periods directed by EA Process

Public Comment Period	Details
Public comment period on conduct of EA	30 days, June 2011 Comments used to develop draft EIS Guidelines
Public comment period on draft EIS Guidelines	75 days, Jan 2012 Comments used to finalize EIS Guidelines
Public comment period on revised EIS Guidelines (revised to account for Project updates)	30 days, Nov 2014 Supported by open houses Comments used to revise EIS Guidelines Comments responded to through an issues based Response Report
Public comment period on EIS	75 days, January 2016 Supported by open houses, web-platform and plain-language summaries Comments used to refine Project plans and EA Comments will be responded to through issues-based Response Report and stakeholder letters Informs government Assessment reports

Aboriginal Engagement Highlights

- Consultation has led to significant changes in both content of the EIS and Project design and mitigation.
- Engagement and consultation on key topics:
 - First Nations consultation plan
 - Stk'emlupsemc te Secwepemc (SSN) Cultural Heritage Study and Mitigation report
 - Aboriginal information in the EIS
 - Approach to project design and mitigations
 - Sites/areas of significance
- Participation of Aboriginal Groups within the formal EIS Working Group and Review Process
- Development of addenda to the EIS to further address key SSN concerns regarding Aboriginal Economies, Governance and the Trout Children Story
- Provided support for independent community-based assessment process delivered by the SSN
 - Provision of information and presentations to SSN panel
 - Responses to panel comments and questions
 - Capacity funding
- Significant efforts by provincial government and SSN to align Aboriginal and government processes
- Interactive community presentations to the Tk'emlups te Secwepemc (TteS) and Skeetchestn Indian Band (SIB). KGHM has participated in student engagement community career fairs in both communities over the past two years.

Key Comments and Recommendations for Expert Panel

- In practice, environmental assessments are used as a planning tool to meet sustainability, community and environmental performance objectives. They add value to the Project development cycle, particularly when the process is clear, effective and efficient.
- Certainty regarding timelines across all permitting processes is key to project success. Unanticipated delays can significantly erode project value, negatively impacting benefits to local communities and governments.
- A single Project should require a single environmental assessment. Where multiple assessments are un-avoidable, multi-jurisdictional coordination is critical. The provincial framework has proven flexible, comprehensive, and effective.
- Effective involvement of Aboriginal Groups is necessary to reduce requirements for duplicative processes and potential for conflicting findings. Clarity of process early in the EA is critical to maintaining coordination and consistency.
- Regional assessments would increase the quality and effectiveness of decision-making, particularly regarding cumulative effects. These assessments would be beneficial to all regional stakeholders and the costs should not be solely borne by a single Project proponent.



Thank you

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