

# New Gold's Community Engagement Efforts for the New Afton Mine

## Context

New Gold's New Afton copper-gold mine is located in Kamloops, British Columbia within the asserted traditional territory of the Stk'emlupsemc te Secwepemc Nation (SSN), also known as the Skeetchestn and Tk'emlups te Secwepemc Indian Bands. The project is a large underground copper-gold deposit, which is expected to produce on average 85,000 ounces of gold and 75 million pounds of copper per year over a 12-year mine life, beginning in 2012. Early in the development of the New Afton mine, New Gold recognized that a strong relationship with local First Nations was the key to a successful project. In 2008, a ground-breaking Participation Agreement was formed between New Gold and local First Nations, which provides a number of benefits to First Nations including training, employment and business opportunities, and a share in a percentage of the mine's net smelter revenue.



**Lead:** Industry (B.C.)

**Steps of the Mineral Development Sequence:**

Exploration, development, operation

**Key Finding:** Although the New Afton Project was not reviewable under the federal *Canadian Environmental Assessment Act*, the company still conducted extensive environmental studies and consulted with First Nations, which created trust and led to strong relationships with local communities.

## Description of Measures Implemented

The New Afton Project's was not reviewable under the federal *Canadian Environmental Assessment Act* because the amount of land to be disturbed fell below the Environmental Assessment threshold. Despite this, the project's review and approval included First Nation and public consultation and environmental studies. The project review began in 2006 and it was the first project in British Columbia to have its application reviewed by the Regional Mine Development Review Committee composed of representatives from provincial, federal, and local governments, and local First Nations as required by the *Mines Act* and *Environmental Management Act* of B.C. This process involved agency representatives from provincial, federal, and local governments, and local First Nations in the creation of the Project Terms of Reference. Over the next six months and prior to committee approval, a public review, a comment period and an open house were held. New Gold then submitted the mine permit application in January 2007. A 30-day review period followed, which included further public consultation and review, and a more formal consultation was initiated with the Tk'emlups and Skeetchestn Indian Bands.

During New Gold's early engagement with the local communities, discussions focused on the impact of exploration, the mine, and the company's investment strategy and capital plan. Workshops and engagement sessions, in conjunction with meetings with elders and youth, were hosted by both the communities and New Gold and addressed community concerns such as the environment, respect of traditional territory during mine development,



Youth Tree Planting at the mine site.

employment and contracting opportunities, and financial benefits. These measures, in addition to the establishment of the Participation Agreement, helped New Afton create trust and a strong relationship with surrounding communities and address local concerns. The New Afton Participation Agreement covers four key areas: the environment; employment and training for band members; business opportunities; and socio-economic contributions. It provides a long-term framework for communication, collaboration and cooperation, which fosters a co-operative and mutually beneficial relationship between the First Nations and the company.

Additionally, the company worked closely with the British Columbia Aboriginal Mine Training Association to provide the Tk'emlúps and Skeetchestn Bands with educational opportunities, the development of marketable skills, and key certifications for specific positions. Of note was the establishment of dedicated, full-time positions within the New Afton mine for First Nations contracting and employment development.

New Afton also contributes to local communities and regularly provides funding for various sporting, health, and community groups, as well as scholarships and donations to the Tk'emlúps and Skeetchestn bands. In 2015, New Afton sponsored and/or donated over \$170,000 directly to local Kamloops charities and events.

## Results

New Afton's efforts to voluntarily conduct an environmental review and consultation resulted in the attainment of social license and increased support from local communities, and enabled the development of employment strategies. This included addressing concerns surrounding water and acid drainage. Moreover, the Participation Agreement has helped to secure the support and partnership of local First Nations and local vendors. Currently, 23 percent of the employees at the New Afton mine site are Indigenous. New Afton's priority for local vendors has resulted in an influx of approximately \$47 million to Kamloops businesses and suppliers in 2015.

New Gold efforts at the New Afton Mine have led to the company being recognized for its good practices, including winning the 2013 Viola R. MacMillan Award from the Prospectors & Developers Association of Canada for demonstrating leadership in management and excellence in best practices in bringing the New Afton mine to production. Additionally, New Gold has been recognized by the two leading social responsibility rankings in Canada. In 2015, for the second consecutive year, New Gold was named one of Canada's 50 Most Socially Responsible Corporations by Sustainalytics, an independent provider of environmental, social and governance (ESG) research to institutional investors and financial institutions around the world. This annual list recognizes companies with an outstanding commitment to social and environmental responsibility, and in 2015 ranked New Gold in the top five socially responsible mining companies in Canada.



Stk'emlupsemc te Secwepemc Nation elders luncheon & tour

## Lessons Learned

Even though the project did not require a formal Environmental Assessment, New Gold undertook significant engagement and consultation as well as extensive environmental studies. By engaging early and often, and by addressing local concerns, New Gold was able to establish strong relationships with surrounding communities. New Gold's New Afton's Participation Agreement is the outcome of this strong relationship, not the end goal or a substitute for the relationship. Moreover, the company's experience demonstrated that training and employment strategies should be developed early with the local Indigenous and non-Indigenous communities to best suit the communities' and company's needs. The lessons learned from the New Afton Project have proven valuable to New Gold and have since been adopted at other operations within Canada.

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