

# information

## BULLETIN

### PARTNERSHIP AGREEMENTS

*The Minerals and Metals Sector of Natural Resources Canada promotes the participation of Aboriginal communities in minerals and metals activities across Canada by sharing information on Aboriginal-industry leading practices.*

#### Galore Creek Mine – British Columbia

##### Project

A partnership between NovaGold Resources Inc. and Teck Cominco Ltd., the Galore Creek Mining Corporation's (GCMC) copper-gold open-pit mine project in northwestern British Columbia is expected to be one of the world's largest mining assets when production begins in 2012. Located near the Stikine River in traditional Tahltan territory, the mine is expected to produce 432 million pounds of copper, 341 000 ounces of gold, and 4 million ounces of silver annually in its first five years of operation. Construction of an access road and tunnel, bridges, diesel and concentrate pipelines, and a power transmission line from Hwy 37 to the Galore Creek Valley is under way, with total construction costs estimated at US\$2 billion.



##### Signed Agreements

In February 2006, NovaGold and the Tahltan Central Council (TCC), on behalf of the Tahltan Nation and the Iskut First Nation, signed a Participation Agreement mutually recognizing traditional Tahltan rights, title to and interests in the project, and GCMC's rights to

explore and develop mineral resources in the Galore Creek Valley. Based on principles outlined in the 2003 Tahltan document *Out of Respect – The Tahltan, Mining and the Seven Questions to Sustainability*, the agreement requires collaboration in mine planning and operation between the mining company and the Tahltan community. It also provides a long-term monitoring and communication framework that aims to minimize any negative environmental and social effects on the Tahltan community while maximizing economic and social benefits.

##### Employment and Training

To date, exploration work and studies at Galore Creek have employed more than 100 members of the Tahltan Nation. An estimated 1200 contractors will be needed for construction, with approximately 550 full-time employees required for mine operation. The agreement between GCMC and the TCC pledges to maximize Tahltan training and employment throughout the mine life while creating processes for advancement. The agreement also pledges to develop a fixed Tahltan employment target and provides for preferential hiring for Tahltan members; to assist in this process, a Tahltan Employment Coordinator will maintain an employee inventory. A Human Resources Committee comprising GCMC and Tahltan representatives will review issues related to Tahltan employment at the mine. With the nearest Aboriginal community of Iskut located approximately 120 km from Galore Creek and other Tahltan communities more than 200 km away, employees will likely be flown to and from the mine site on a rotational basis. GCMC has also established an annual scholarship fund of \$15 000 to support Tahltan students pursuing careers in mining; in 2006, ten awards were granted.

##### Economic/Business Development

The agreement requires GCMC to make financial contributions to the Tahltan Heritage Trust Fund, a multi-purpose fund designed partly to ensure long-term



investments and to facilitate payments and benefits to the Tahltan members. Payments are guaranteed to be no less than \$1 million annually once the mine is operating. Upon reaching certain targets, the trust will receive the greater of \$1 million or a 0.5-1.0% net smelter royalty each year. Construction payments of \$500 000 per year and a \$250 000 signing payment are also part of the agreement. Tahltan businesses are ensured access to maximize business opportunities for the supply of goods and services throughout the mine life and during mine closure. A registry of Tahltan businesses will be established and a range of preferential construction, road maintenance, environmental monitoring, transportation, and catering contracting opportunities will be offered. GCMC will also provide the Tahltan Nation with a list of anticipated contract opportunities at least six months prior to the start of construction.

### **Social/Cultural and Community Support**

A portion of the financial distributions from the Tahltan Heritage Trust Fund will go towards Tahltan Nation governance and community development. This may include funds for education, training, capacity development, housing, health, health education, and economic development for Tahltan members living on and off reserve lands. GCMC will provide cross-cultural training related to the Tahltan culture for all employees, including promoting awareness in the workplace of the cultural significance of Tahltan National Day on October 18 by holding celebratory events. The agreement also allows for a Tahltan Cultural Activities Policy, entitling Tahltan employees to take unpaid leave to pursue traditional cultural activities.

### **Environmental Protection**

With funding from GCMC, the Tahltan Heritage Resource Environment Assessment Team worked to ensure that

environmental impacts were identified, addressed, and mitigated during the Environmental Assessment and permitting process. GCMC also pledged to work with Tahltan members in creating and upholding an environmental policy. Public meetings and the establishment of a joint Environmental Performance Committee will provide open and frank forums to discuss environmental commitments. Also, Tahltan members are to be given preferential hiring opportunities to join GCMC's environmental staff. Upon mine closure, the Tahltan will have an opportunity to carry out an independent evaluation before Galore Creek confirms that its reclamation plan has been fully satisfied. An environmental bond will be held as financial security against the mine until that time.

### **Moving Forward**

The Galore Creek vision is to create wealth by safely exploring, developing, operating, and sustaining the Galore Creek project in a manner that benefits all stakeholders and respects the environment. As equal partners, NovaGold and Teck Cominco will work closely with the Tahltan Nation to build a world-class mine that brings benefits to the province, local communities, and the Tahltan Nation for decades to come.



*Camp naming and blessing ceremony*

*For more information on the Galore Creek mine, please contact Jim Mallory, Mine General Manager, by telephone at 1-866-669-6227 or by e-mail at [jim.mallory@gcmc.ca](mailto:jim.mallory@gcmc.ca).*

*Photos courtesy of NovaGold Resources Inc. (used with permission).*

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**For more information on Aboriginal communities and mining, please visit [www.nrcan.gc.ca/mms](http://www.nrcan.gc.ca/mms) or send an e-mail to [info-mms@nrcan.gc.ca](mailto:info-mms@nrcan.gc.ca)**



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