



MOUNTMILLIGAN

Community Sustainability Committee (CSC) Meeting Minutes

Date: December 5, 2014 **Time:** 10:00 am – 2:00 pm
Location: Prince George Office
177 Victoria St, Prince George, BC **Date Issued:** December 18, 2014
Prepared by: Catherine Rockandel, Rockandel Associates, IAF Certified Professional Facilitator
Facilitator: T: 1 (604) 898-4614 E: cat@growpartnerships.com

Attendees:

Name	Organization	Present
Emily Colombo	District of Fort St. James, EDO	P
	District of Fort St. James, Councillor	
Ann McCormick	College of New Caledonia (CNC) Fort St. James, Supervisor	P
Trish Jacques	District of Mackenzie, Councillor	P
Diane Smith	District of Mackenzie, EDO	P
Shannon Bezo	College of New Caledonia (Mackenzie), Regional Director	P
	McLeod Lake Indian Band, Councillor	
Margaret Solonas	McLeod Lake Indian Band, Employment & Education Liaison	P
Cecilie Heron	West Moberly Land Use Manager, West Moberly First Nation	
Colleen Erickson	Nak'azdli Band, Natural Resources Manager	P
Lisa Sam	Nak'azdli Health Centre, Community Representative	
Tom Clement	District of Vanderhoof, Director, Community Development	P
Kevin Moutray	District of Vanderhoof, Councillor	P
Wayne Salewski	Member at Large, Vanderhoof	P
	City of Prince George, Councillor	
Dave Bailey	TCRK, Senior Director of Environment	P
Joanna Miller	TCRK, Community Relations Specialist	P

Guests: Mayor Hall, Prince George; Ian Berzins, VP – GM, Mt. Milligan

Description: Summary of Action Items	Resp.	Due Date	Item
1. Develop draft of criteria and documentation for CSC Legacy decision making process	CR/DB	March 2015	6

#	Topic
	<p>Introductions</p> <p>Catherine Rockandel welcomed the CSC members and guests. She provided an overview of the agenda and welcomed Prince George Mayor Hall.</p> <p>Dave Bailey introduced new Community Relations Specialist Joanna Miller.</p>
1	<p>Mt Milligan Operational Update: Dave Bailey & Ian Berzins</p> <ul style="list-style-type: none"> • Dave Bailey reported that turnover at Mt Milligan overall remains low with the October rate at about 12% • 60-65% of the workforce is made up of employees from CSC communities. Of that 13% are First Nations, with 2% from Nak'azdli 2% from McLeod Lake Indian Band • Ian Berzins reported that Mt Milligan currently has 415 permanent employee with 424 - 430 staff projected for new year but new hires will depend on resource prices • Some turnover is based on retirements, people returning to the United States, while others are induced as the mine transitions into operations. • The goal continues to focus on building a Canadian team. PG remains an important location for workforce with Mackenzie and Fort St James making up largely a BC workforce • TCRK's Thompson Creek Mine has been put on care and maintenance • Mt Milligan is milling 48,000 metric tons per day • The plant was built to mill 60,000 metric tons per day. Some days are getting this rate or higher. • Also producing 65 million pounds of payable copper and 100,000 ounces payable gold • In terms of accommodations the old camp is being demobilized and for those staff that stay on site, they are now in new lodge facility. • For those that want to travel back and forth to communities, buses are provided. <p>CSC questions included:</p> <p>Q1: We have been hearing about layoffs. The conversation in community is that people are not sure about their positions. Is there some kind of messaging that Mt Milligan could provide?</p> <p>A1: Hourly workforce job loss has been primarily based on performance. We have also restructured to improve workforce strengths. Mt Milligan is still committed to being employer of choice in region. We want to settle in to period of stability. However, Milligan is bearing the cost of covering other TCRK facilities as resource prices continue to drop. There have been some voluntary terminations in last month.</p> <p>Q2: Are you intending to put any updates in newspaper?</p> <p>A2: We intend to use internal newsletter to update employees about mine operations</p> <p>Q3: What is the plan to update the community? The closure of the Mackenzie and Fort St James offices sends a confusing message to the community.</p> <p>A3: We appreciate message around improving communications. With respect to the offices, we think we are still very visible in the community by having space in the CNC offices. Also, we have large amount of real estate in both communities that we are looking to reduce.</p> <p>C4: We recognize that change needs to happen because commodity prices are low, but if you</p>

let us know then we can mitigate impacts through communication at Council.

C5: Mt Milligan is important to Vanderhoof.

A5: We are trying to finalize a bus route that is coming from Prince George and going through Vanderhoof

C6: CNC could have sent a joint press release about the new company office space being shared with CNC prior to company moving out and the building was empty.

C7: Fort St James Council wanted to send a letter to the company but the addresses on the website are not been updated. Where does Council send mail? (See Attachment One)

C8: The contact us form on Mt Milligan website says contact Denver

C9: If there is only the Prince George address on the website then the perception will be that this is the contact information for PG only not region.

C10: The phone numbers are staying same in communities. You could post on website that information can be found at local CNC office show in Mackenzie and Fort St James

A6-10: We agree we could have done a better job of rolling out the new offices. The official address has to be some place where we will have a consistent presence. The post office box in FSJ does not work because we do not have anyone to pick it up. The Prince George office may end up being the official address, but we are still discussing it.

Q11: What does care and maintenance mean? Does that mean mine is closed?

A11: The Thompson Creek Mine is not closed but the price is sub \$9.50 and to get to ore body would require stripping that would cost about \$80-100 million. TCRK has an approximate billion dollar debt with approximately about \$100 million interest expense and we are looking to a secondary crushing circuit at Mt Milligan. This would require an investment of \$50-75 million but could translate into production above the design capacity. If we could produce more units then the company could handle falling commodity prices better.

Q12: Does adding another crushing circuit reduce the project life span of the mine?

A12: The 22 year mine life is based on assumptions that depend on grade and ore body. So you could expect to increase mine life beyond 22 years if you can process lower grade material, but if you don't add more resources then there is a lot of copper and gold in lower grade deposits that we might not be able to access.

Q13: When and if a decision is made to extend mine life, can you share this information with communities once analysis is complete

A13: Yes, this is information that would be communicated with communities.

Q14: What is intent of Community Relations Specialist role? Is this a replacement for John Sandstrom?

A14: No, it is not a replacement for John Sandstrom. John is retiring. This is a different role focused on sustaining community relationships, supporting communities to manage legacy projects, and enhancing communications process between communities and First Nations.

Q15: What updates do you have on the North Road forest service road?

A15: The North Road is not a forest service road. It is a public highway and subject to a provincial road maintenance program. For six months of year it is difficult to travel. It is a provincial responsibility to upgrade road. We are extremely concerned about people having accidents as a result of avoiding logging trucks. We control Rainbow Road and it is in good shape. The North Road was not built for current service level

C16: The North Road holds a third level of designation with transportation classification system as highway so government has put financial resources into it.

C17: As beetle kill wood gets less salvageable around Vanderhoof, the logging will move further away from Vanderhoof and the traffic on the North Road will increase. The problem with provincial ministry investment is that they wait until they see the increase through traffic counts.

C18: The perception of many community members is that Mt Milligan is causing the issues on the North Road because they have increased the traffic on the road.

A18: We are looking at our road network and whether we could develop a straight 65 km roadway to Mt Milligan rather than use the North Road.

C19: From a community perspective these kinds of issues are the purpose of the CSC. Together we can identify issues and develop a strategy to lobby government but also to work together to resolve issues.

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Topic: Legacy Update

Dave Bailey reviewed the Legacy proposal. (See Attachment Two)

CSC questions included:

Q20: For points one and two in proposal, how do you see being involved in providing us with gaps?

A20: This would involve working with our supply chain on site to review how we typically acquire resources and what resources might potentially exist in communities. This gap analysis would support us to better understand current capabilities and how we might meet needs. For example: We are not in the bus and catering business so how can we shop local.

C21: In terms of the education and training piece, we have not had John or Darin at any of the CNC industry meetings in Mackenzie. We are proposing an industry meeting for Dec 11 or 16. It is critical that we know what you need for us to support you.

Q22: When you do contract out, do you have influence on what is going on at lodge in terms of procurement?

A22: Yes, we have total influence on quality of food. However, while there are people that could compete on elements of the contracts, the company was awarded based on overall price for all components. It does not allow cherry picking without 30 days notice that contracts are changing.

Q23: The food service contractor on site is not choosing the best locally grown seasonal products. For example: The Nak'azdli green house produces the most delicious tomatoes

A23: The employees would value this product. ESS is the contractor and Darin manages contract he can work with you on this

C24: In looking at all the pieces of Legacy proposal I feel good about what is included

Q25: When do you see that purchase of local goods and services being rolled out? We need heads up to work with local companies.

A25: This spring starting down process – could be more transparent about our local contracts that we have been – generically we could share names and key contacts. The first step is that Dave will be working with Joanna and supply chain on site to understand issues.

Q26: How long is the Trimac contract? When this contract was tendered there were two local companies in Mackenzie that bid on it but you went with Trimac. There is zero benefit to our

community as they don't use local drivers, they don't repair vehicles in town but they are on our roads.

A26: The contract is three years. The company has had issues getting drivers

C27: That is because they don't pay enough and bring in drivers from Alberta. In Mackenzie we have two large companies with stable workforce

C28: CNC has been pushing at College levels but Trimac won't work with us. We can work to build local capacity.

A28: We could work with College and communities to address Trimac issues

Q29: What about your vehicles?

A29: Under the NST contract, we lease all the vehicles; at the end of the day, we own leases.

C30: In Vanderhoof our company has been getting a lot of calls as a minor supplier

C31: There has always been a competitive nature between local communities and this is why we will do our best to get maintenance contracts for trucks that are currently repaired in PG.

C32: Yes, as the Mayor of PG we understand that, and we recognize that "as region goes so does PG without question"

Q33: In terms of the legacy fund, are donations funds in addition to legacy?

A33: Yes, the donations policy is separate and each site has an allocation. In terms of training budgets this is people and equipment rather than dollars. In past year there have been \$39,000 in donations.

Q34: So the legacy fund is \$40,000 divided by six communities. Will money just sit there? Could we partner with other communities, partners and combine dollars? Does this include CNC funding?

A34: Yes, we would hope that the communities could identify projects to collaborate on. In most instances CNC funding is separate. Committee is going to have to develop criteria for decision making of how to fund region and lift each other

C35: I can see it going two ways, we can either build up each other up regionally or we are going to fight to provide our community with something

Q36: What is the timeline of educational scholarships?

A36: We have scholarships in each community and programs but in terms of timelines don't have a firm sense but it is probably June 2016

C37: CNC and communities could work with you on developing timelines and scholarship programs as we have experience in this area

C38: Some CNC programs are competitive such as mining courses. They were originally led from Mackenzie but it was difficult to attract enough students. We collaborate with Fort St James to offer course.

Q39: What is timeline for legacy program? Could the funding carry over and accumulate or does it have to be used in same year?

A39: Joanna will be managing this and will have to get up to speed about how things work on site but expect it to be in 2015. TCRK is a public company so it is likely payment would occur in Q3 based on Q1 production. Yes, It could carry over and accumulate

Q40: Do you currently do legacy funding at Endako?

A40: No, Joanna will be looking at all of our community relations issues at Endako

C41: The funds, being split 6 ways would be minimal for each community (Mackenzie, Fort St James, Vanderhoof, Prince George, MacLeod Lake and Nak'azdli). First Nations have benefits agreement with Thompson Creek, whereas this is the only funding the communities that are impacted by the mine are getting.

A41: We envision non-aboriginal and aboriginal communities working together. Any agreements with the First Nations do not adversely affect their ability to participate.

5 **CSC Round Table: Community Updates on Issues Relating to the Mine**

Fort St James, CNC (AM)

- Northern Health has allocated another new doctor in community
- Looking at new clinic, one option possible partner with Nak'azdli to build new clinic
- At college we have entry level opportunities for community.
- In the downtown core College has Key Resource Centre (not drop in centre) that provides 150 people hot lunch. The Key also offers courses. 65 people through door each day using computers or register for courses. Partnership with other agencies including RCMP, health etc.
- Learning hub booming for ESL. Mt Milligan donated dollars for book program
- Training, business admin, pipeline, blade runners program, Empoc students, simulator training next week. Offering variety of programs
- Plan for next 2-3 years upcoming programs. Industry meeting Dec 12 need new company representative since John Sandstrom is leaving
- Excited to support Mt Milligan as office and provide mine with presence in community in our building

Fort St James (EC)

- Submitted letter from Mayor about company office closure
- Continue to work for CNC on course provision
- Community centre almost complete expected to open 2015 Q1. It has a 144 seat theatre with projection screen, 250 seat conference, racquetball and squash, commercial kitchen – funded through grants including \$500,000 from one family
- First community centre in over 30 years
- Seniors transportation service continues to serve 90 clients. Drive to PG daily, interest from Vanderhoof but not confirmed yet.
- North Road hot topic in community
- Brought a copy of the BC on the Move: A 10-year Transportation Plan survey being completed by Province. We would encourage all communities to go to www.engage.bc.ca/transportation. Comments can be submitted to transportationplan@gov.bc.ca
- Working on Economic development strategic plan for community. Meeting will be on Dec 10 from 1-4pm at fire hall in FSJ. Could rep from TCRK please attend?
- Rob McDougal acclaimed as Mayor – two newly elected Councillors but not new to politics. Brad Millar from BamBam construction was also elected
- Have been working with TCRK on Milligan property in FSJ

Nak'azdli, (CE)

- Office is busy with pipeline development majority of time
- Heard good things about mine. Everyone sad John is leaving. He embraced Nak'azdli

as a community and people responded well

Vanderhoof, (KM and TC)

- 100% of incumbents were re-elected.
- Projects include swimming pool and address situation of being underserved by CNC
- New educational facility. We have quarter of funding from municipality and are approaching businesses to see what they can contribute.

Mackenzie, (DS & TJ)

- TCRK has agreed to be primary sponsor for Minerals North conference 2015
- New hotel being built but not sure if its going to be finished in time for conference
- Haul road through industrial site really dusty last year not sure if Mt Milligan confirmed calcium for dust suppression. Please follow up
- Peter Weeber, new CAO. He is from Haida Gwaii
- Pat Crook new mayor previous council for two terms
- One new person elected, the rest of incumbents were re-elected
- Struggling to find hygienist and improve dental facility. We have dentists
- Recreation centre upgrade with new lights in arena 80% completed. It is funded by province and NDI – curling and ice rink same building (no federal funds available)

Mackenzie, CNC (SB)

- On Work BC ongoing ITA coming into office and industry partners with us
- College first heavy equipment operator class graduating today

Q42: What is course duration?

A42: It is a 12-week course. Using ITA books but not running as ITA course so blend of two. Equipment includes: 40 ton, skidders, dozers. 9 Candidates this term were from regions and 6 candidates in the previous course were from region

- Logging program upcoming
- Looking for new offerings for mobile crane one of two facilities that can teach program
- Offering business management programs with instructor who has a wealth of knowledge
- Ongoing courses on motivational interviewing

Q43: What is motivational interviewing? Is it good for business owners?

A43: Yes, it is good for business owners. It is about the stages of change. It supports people to ask questions in daily life in the right away.

- Excited to provide office space for Mt Milligan
- Approved for expansion under Work BC office for cultural gathering space

McLeod Lake, (MS)

- McLeod Lake and CNC taking some program into community on job starts about 30 people in community could be mentors and going through program so own people could be in companies by end of February

6

New Business

Brainstorm Topics for 2015

- Health Safety – Mike Daley, Mt Milligan could talk about emergency response plan. Communities invite response representative to attend that meeting as well.
- In Q2 2015 update CSC - in response Mt Polley incident, have been reviewing third party emergency response related to failure of tailings in realistic terms
- Update on social affects advisory findings on lodge
- Mine life – where would further exploration occur, what exploration activities are occurring in area?
- CSC legacy criteria and decision making process
- Nak’azdli and McLeod Lake presentation about relationship to land
- Cultural awareness training and history of residential schools presented by Sarah John
- Corporate Social Responsibility Report (next meeting) reporting metrics
- Janice Shandro releasing updated report number two soon – around leading opportunities

Next Meeting

- Next meeting is March 27 in Fort St James
- June to focus on Mt Milligan meeting tour



OFFICE OF THE MAYOR

November 7, 2014

Mt. Milligan
Thompson Creek Metals Executives

To Whom it May Concern,

Please accept this letter on behalf of Mayor & Council regarding the recent decision by Thompson Creek Metals to close the Fort St. James Mt. Milligan Office. Over the last four years and longer, Fort St. James has been a neighbour to Mt. Milligan's construction and operations. We were happy to sell you developable property when you requested land for housing your workers. We accommodated changes to the zoning on that land so that you could build your parking lot. We advocated with you for the development of the Connector Rd. Between the mine site and Mackenzie. We participated in the Environmental Assessment Process both when you first applied for permits, and when you elected to locate your load-out facility to Mackenzie and construct an operations camp. We have maintained our commitment to representation on your Community Sustainability Committee and we eagerly await a formal meeting schedule and process to take shape regarding your Social Effects Monitoring Committee. We share our medical services, public infrastructure, and training resources with your company's employees. We happily send our sons and daughters to work at your facility, and your employees include both long-time residents as well as newcomers to Fort St. James.

It was with great disappointment that we learned of your decision to close the offices in Fort St. James and Mackenzie and open an office in Prince George. So often in our area, our small town gets passed by in favour of Prince George. "Prince George is a communication hub; Prince George is a transportation hub, Prince George just makes sense." we're told. The merits or detriments of Prince George are of little concern to us. We work hard to make our community the best that it can be, and that includes building strong relationships with the people and companies doing business here.

We urge you to consider multiple factors when making decisions such as this that affect our community, including the human, social, and public perception effects. Recently, your decision to close the Fort St. James office was brought up as a question from the public to our Council candidates as part of an All Candidates Debate for our Municipal Election. The question revolved around the amount of resource extraction taking place in the area, and how the town could further leverage this resource boom to benefit our local businesses. This question will be one that our newly elected Council will carry with them.

The relationship between Council and Mt. Milligan Mine may be just one of your considerations when making decisions in how to operate your business, but it is one which is brought up time and again by our residents as one of importance. We appreciate that this decision may have positive outcomes for our local CNC campus, which Mt. Milligan will use to disseminate

information to the community, but the community at large is not receiving the same messaging on this change that we are as Council. In a small town, word spreads faster by word of mouth than any other means. It is not our place to do the PR work of Mt. Milligan, and we encourage you to take a stronger role in our community to keep them updated when changes to the 'face' of Mt. Milligan are occurring. This relationship between Mt. Milligan, Thompson Creek, and Fort St. James is intended to be at least 22 years long. We want to do everything we can as a community to make sure it is a positive and functional relationship. All relationships benefit from strong two-way communication.

Regards,



Mayor MacDougall

cc.

Fort St. James Chamber of Commerce
Mackenzie Mayor & Council
MLA John Rustad
MP Nathan Cullen

MOUNT MILLIGAN LEGACY PROGRAM

In accordance with its Environmental Assessment Certificate, Mount Milligan has implemented a Sustainability Management Plan. The purpose of the Plan is to describe Mount Milligan's sustainability framework for the operation and to develop an integrated approach encompassing its activities in the areas of governance, social development, economic contributions, health and safety, and environmental stewardship.

The Sustainability Management Plan includes the Mount Milligan Legacy Program, which is described below.

The Mount Milligan Community Sustainability Committee (CSC) was formed to maximize the positive economic, social and environmental contribution of the Mount Milligan Mine and to enhance the well-being of regional residents, including First Nations, through a collaborative working committee made up of representatives of Mount Milligan and the surrounding communities.

Statement of Purpose

The Mount Milligan Legacy Program contributes to healthy communities and supports regional sustainability by focusing on people through such things as health and education programs and attempting to promote a diverse post-mining economy by doing business locally where competitive and practical. The legacy program consists of several elements:

1. **Purchase of local goods and services** – Mount Milligan will make an effort to acquire goods and services from local businesses where practical. In some instances, local businesses currently are not qualified to provide goods and services to a business operation such as Mount Milligan. Therefore, we will also work with the communities and businesses in the communities to assist their efforts to qualify themselves to be a competitive provider of goods and services to Mount Milligan. We envision a process in which we would identify the goods and services we typically acquire from third parties, the businesses in each community who are currently, or could become, qualified to provide these services, and an *ad hoc* process to determine the steps in the qualification process. We may involve entities such as the College of New Caledonia in this process and community business development offices to assist in this process.
2. **Training for local employment** – Because of the nature of the modern mining business, very few jobs at Mount Milligan are “laborer” positions for which no training is required. We will work with the communities to identify positions at the mine and mill for which training can be provided directly by us and indirectly through educational and technical institutions such as the College of New Caledonia or manufacturer or distributor representatives. We will also support apprenticeship training for positions related to our needs at Mount Milligan. Guaranteed employment cannot be provided; however, we believe that such training and employment opportunities at Mount Milligan will enhance the ability of trainees and employees to work for other industrial operations in the communities of interest, which will, in turn, have a long-lasting beneficial impact on these communities.
3. **Funding for community business, health, and literacy programs** – In addition to jobs and opportunities for mining supply and service companies, we seek to foster related economic

activity. The objective of the community project funding program is to contribute to healthy communities and support regional sustainability by investing in people and a diverse post-mining economy.

A portion of the legacy fund will be allocated to funding for community business, health, and literacy programs. The amount of funding available each year is expected to vary based on circumstances and the propriety of other funding actions.

The six key communities (Mackenzie, McLeod Lake Indian Band, Fort St. James, Nak'azdli, Vanderhoof, and Prince George) will be eligible to apply for funding to support community projects meeting sustainability guidelines developed in conjunction with the CSC. Generally, the areas that may be eligible for this type of funding are as follows:

- A. Community – Enhancing business development, employment activities, programs to assist vulnerable groups, and a sustainable economy.
- B. Education and training – Provision of educational opportunities, resources and leadership training, especially in health and safety, technical and scientific fields.
- C. Health – Improving access to health services, including, in particular, services for children and the elderly.
- D. Environment – Funding of environment projects focusing on air, water, biodiversity, and energy conservation.
- E. Literacy – Improving the various aspects of literacy in the region.

The CSC as a whole will consider applications for funding pursuant to criteria that will be established by them including Mount Milligan. A project may be funded in whole or in part or on other terms and conditions that may be established by the CSC. Projects seeking funding under this paragraph will be required to establish key performance indicators and other reporting metrics, and a community representative, preferably a CSC member, will be required to provide periodic progress reports. Communities may choose to partner with an outside group of experts. Prospective partner agencies could include the Sirolli Institute, the Community Development Institute at UNBC, or community health experts. Criteria for eligibility and a suggested list of eligible partners will be identified in collaboration with the CSC, and prospective new partners will be required to present to the CSC.

4. **Educational Scholarships** - While recognizing the need for diversity, it is also desirable to recognize the fact the development of natural resources is a primary way to create wealth in the region which will promote and contribute to the well-being of the region in a multi-faceted manner. Accordingly, a portion of the funding for the legacy program will be earmarked for distribution as scholarships to support individual educational endeavors in studies directly associated with the natural resource industry.

Funding of the Legacy Program

The funding of the legacy program shall be by way of a contribution to the legacy fund on a calendar quarter basis based on the greater of:

(1) \$10,000 (\$C); or

(2) The amount of payable production at the Mount Milligan Mine in the second quarter previous to the contribution (e.g., production in Q1 would be the basis for the contribution in Q3); provided that the Mount Milligan Mine is cash flow positive for the particular quarter taking into account the contribution contemplated hereunder. In the event the Mount Milligan Mine is not cash flow positive for the particular quarter, no contribution will be made to the legacy fund for that particular quarter on a payable pounds of production basis. Provided the Mount Milligan Mine is cash flow positive for a particular calendar quarter, a contribution will be made to the legacy fund in an amount calculated as follows:

- A. An amount equal to C\$0.001 for every payable pound of copper in the particular quarter; and
- B. An amount equal to C\$0.10 for every payable ounce of gold produced in the particular quarter.

A statement describing the method of calculation of the contribution will be provided to the CSC at the time the payment is made. Funding amounts and the methodology for funding may change in the event circumstances warrant such modification, at the discretion of Mount Milligan.