



# **Crowflight Minerals Inc.**

## ***Community Consultation – Challenges and Success***



**June 2008**

**[www.crowflight.com](http://www.crowflight.com)**

# CAUTIONARY STATEMENT

*Safe Harbor Statement under the United States Private Securities Litigation Reform Act of 1995*  
Certain statements in this document constitute "forward looking statements" within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934. Such forward-looking statements, including but not limited to those with respect to the price of gold, the timing and amount of estimated future production, costs of production, estimated operating results, reserve determination and reserve conversion rates, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Crowflight to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others, risks related to the integration of acquisitions, increased production costs, risks related to international operations, risks related to joint venture operations, the actual results of current exploration activities, actual results of current reclamation activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of gold, currency devaluations, labor disruptions; changes in government regulations, particularly environmental regulations, changes in exchange rates, inflation and other macro-economic factors. Although Crowflight has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements speak only as of the date of this document.





# PROJECT HISTORY

- Discovered by Falconbridge in 1964
- Shaft and exploration drift excavated; underground drilling completed in 1972
- Project mothballed by Falconbridge, all site installations removed during the 1980s
- Project optioned by Nuinsco in 2001 during low metal prices
- Project acquired by Crowflight in 2004 as nickel prices increased
- \$49.3 million spent on mine construction up to end of Q1 2008



# **COMPANY HIGHLIGHTS**

- **Nickel production from Bucko in Q3 2008**
- **Current mine life estimated at 7 years but expected to be substantially more**
- **Expansion/growth potential at Bucko and deposits in close proximity to Bucko**
- **Prospective property position along 700 km<sup>2</sup> in the Thompson Nickel Belt**
- **Total expected capital investment for 2007-2008 close to \$100 million**
- **Production expected to average 11 million pounds of nickel per year**



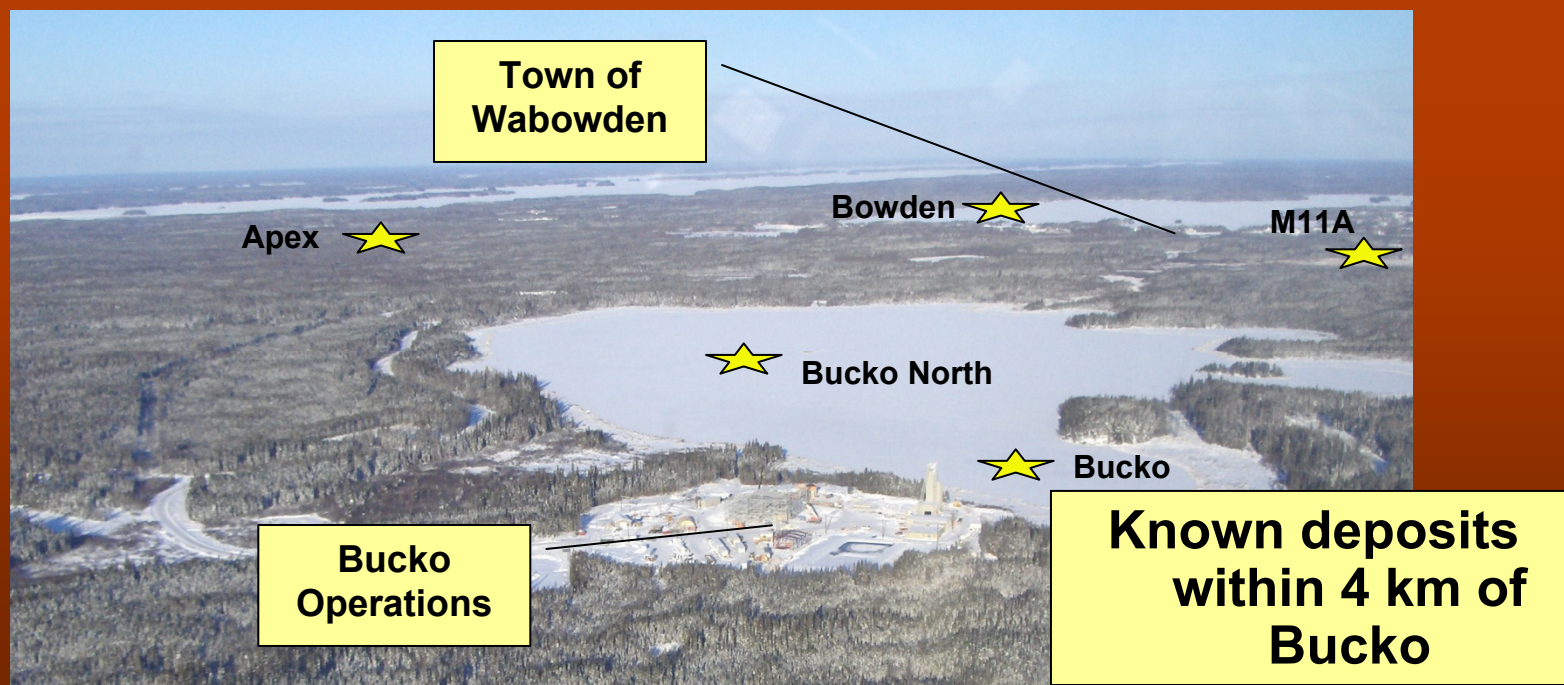
# THOMPSON NICKEL BELT LOCATION

## Excellent Infrastructure

- Highway – 6 km from site
- Power – 6 km from site
- Railroad – 1.5 km from site
- Community – 4 km from site

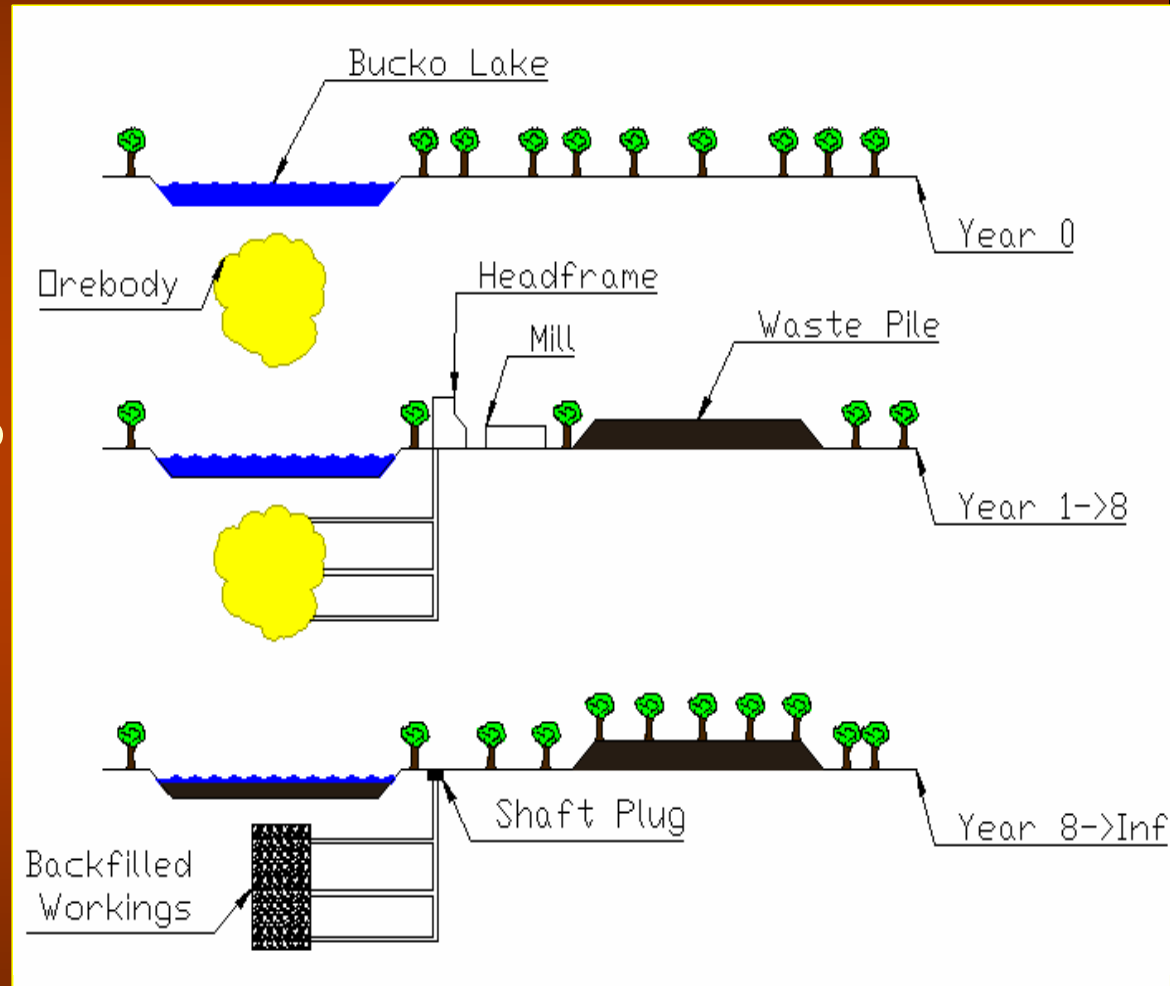
## Excellent Location

- Manitoba is ranked #4 worldwide in policy and mineral potential by the Fraser Institute\*
- Manitoba power rates among the cheapest in the world (\$0.04/kwh)



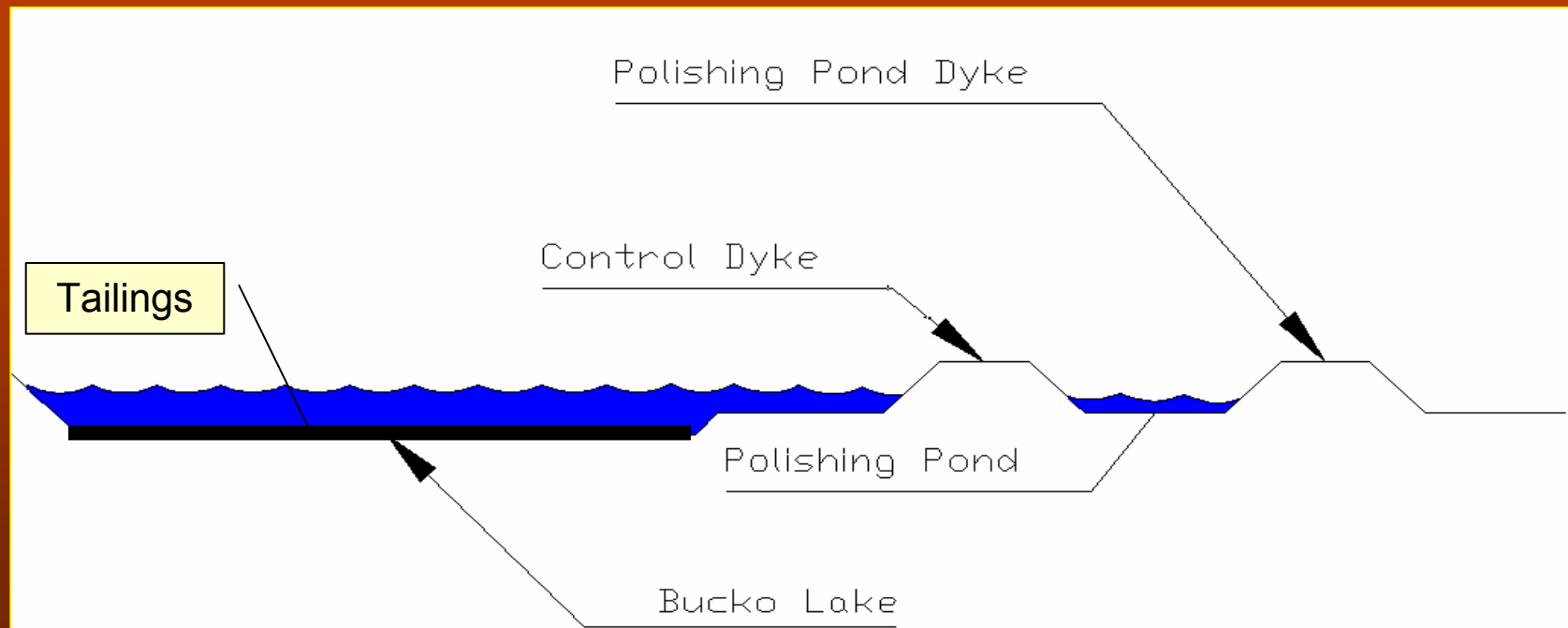
# PROJECT OVERVIEW

- Develop underground workings
- Remove rock from underground
- Separate the nickel from rock
- Return remaining rock to underground
- Excess material deposited in waste pile and Bucko Lake
- Send nickel to Sudbury
- Restore site



# TAILINGS STORAGE

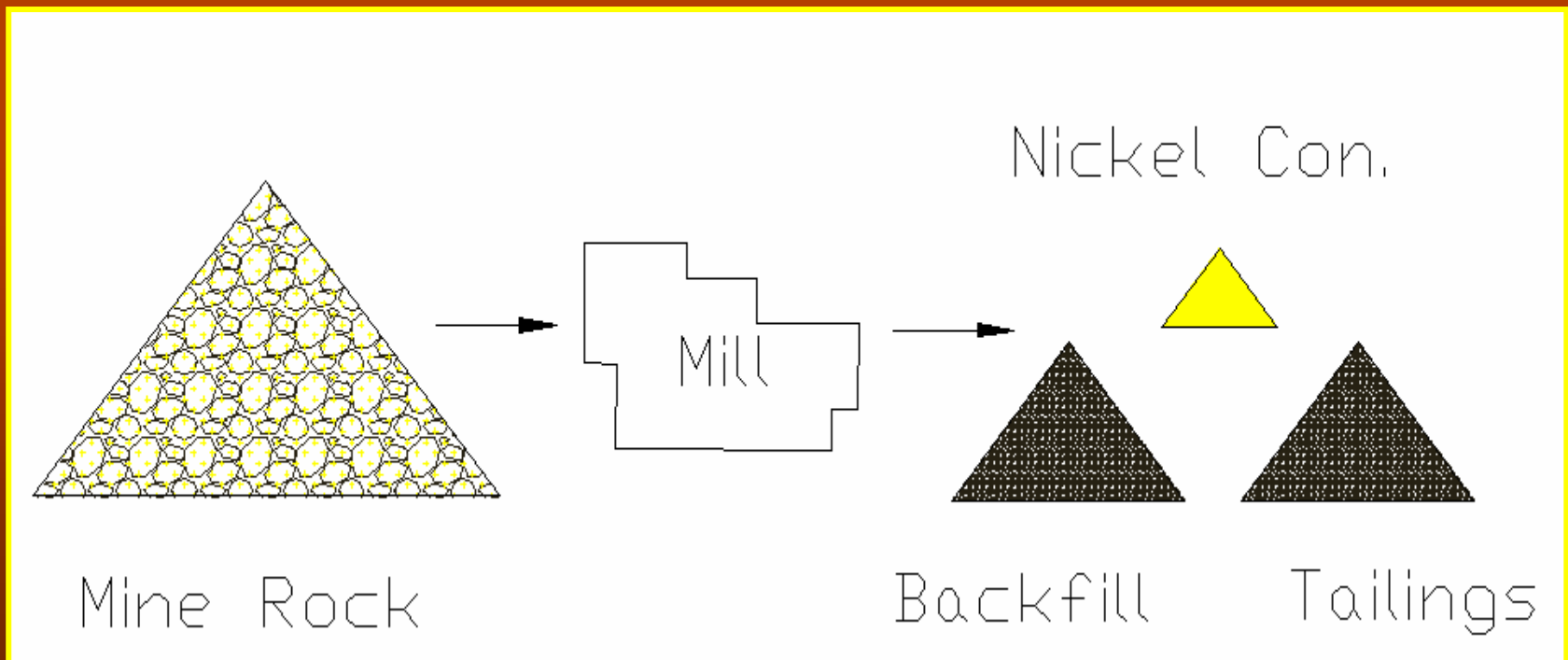
- ½ of tailings to be used to backfill mine
- ½ of tailings to be evenly placed via pipeline in Bucko Lake
- Discharge water released to the environment will meet governmental water quality objectives
- Water flow control structures will insure tailings are left underwater in perpetuity
- Tailings will eventually be buried by natural organic sediments





# MILLING

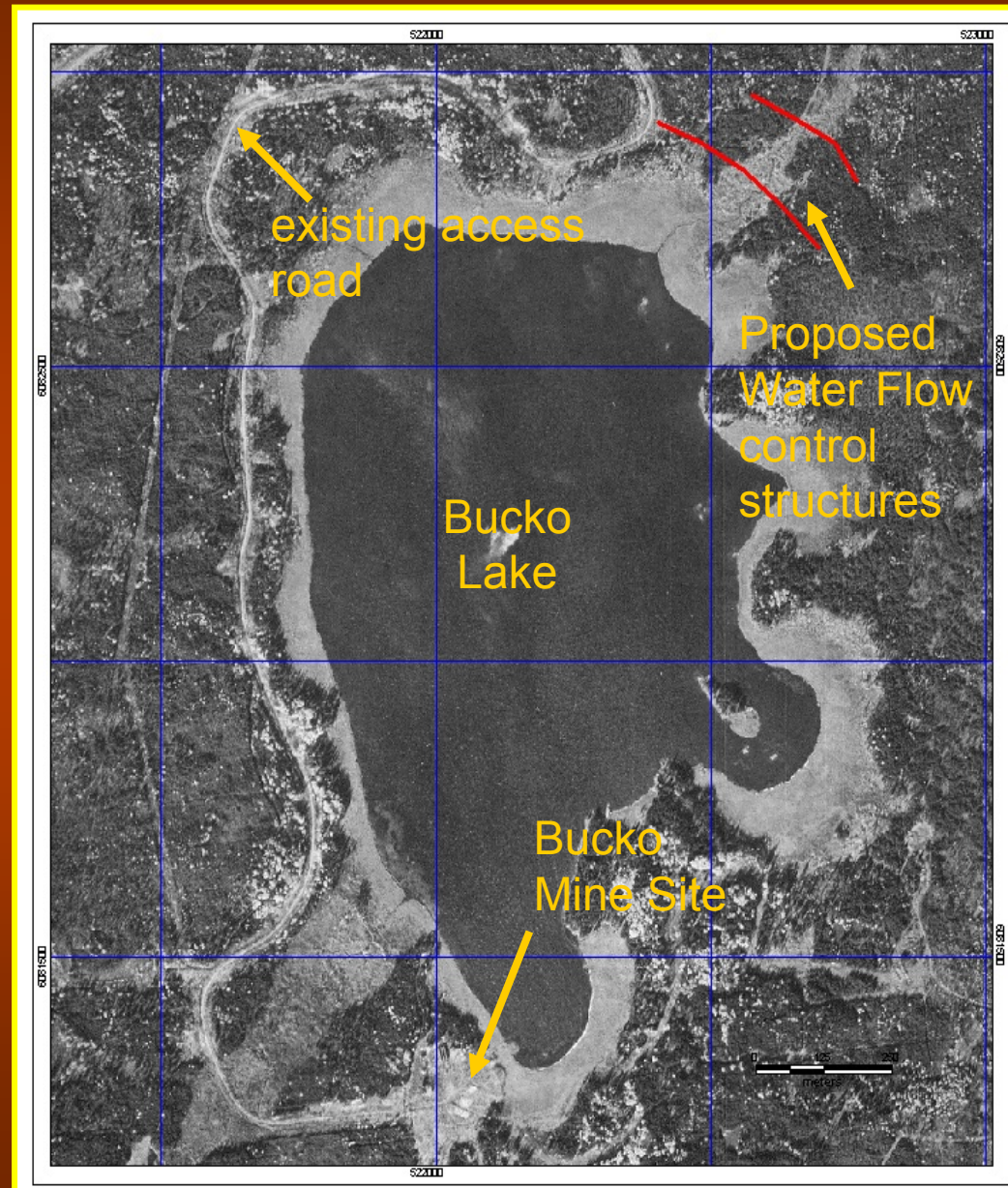
- Rock is crushed and ground
- Minerals containing nickel are concentrated into powder
- Rock not containing nickel is separated (1/2 to tails, 1/2 placed back underground as ground support)
- Nickel concentrate shipped to Sudbury for further processing
- Nickel smelting DOES NOT take place at site





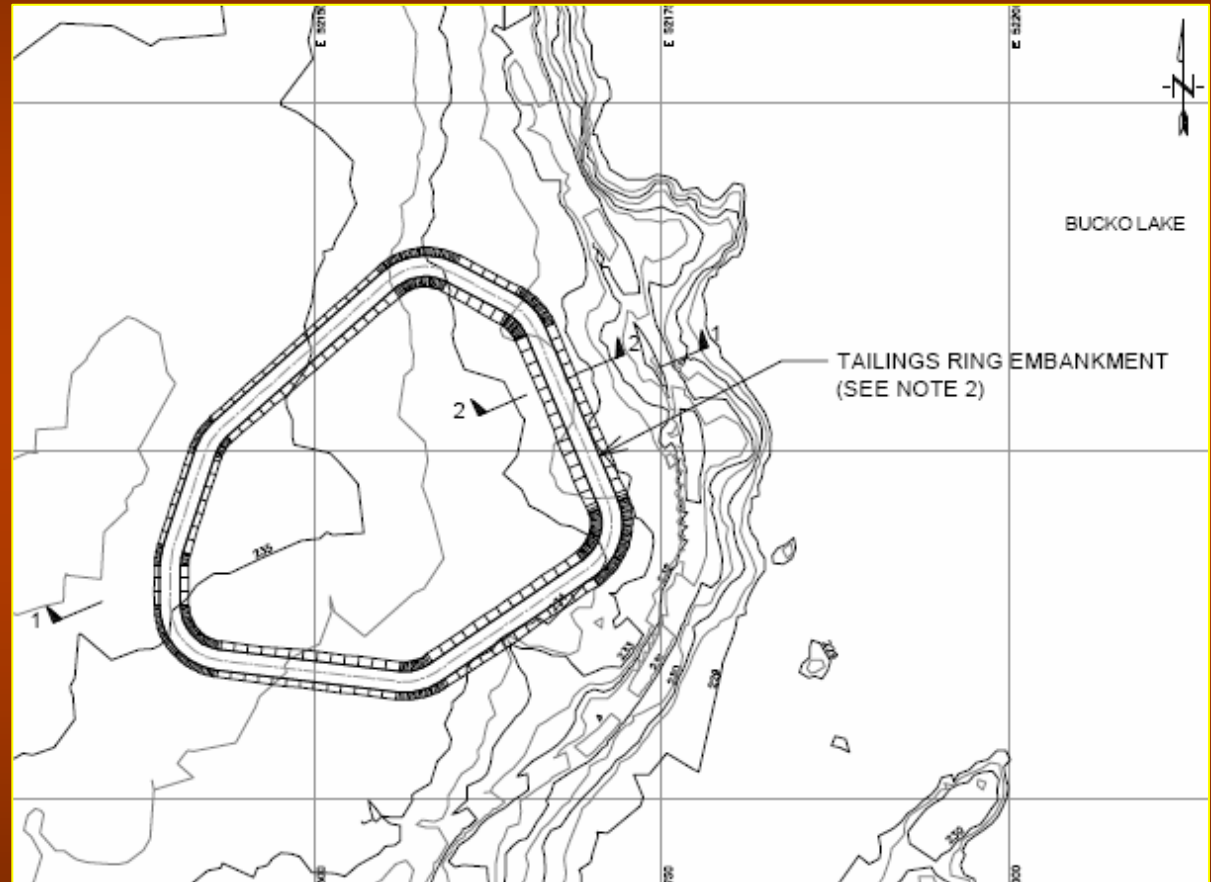
# TAILINGS STORAGE – BUCKKO LAKE

- Tailings to be placed in Buckko Lake (water cover to eliminate sulfide oxidation)
- Lowest impact option to disrupting plant and animal habitat
- Shallow lake with minimal fish habitat
- Seasonal overflow from lake passes through swamp
- Natural containment basin



# TEMPORARY TAILINGS STORAGE

- Federal government permitting delays thus far resulted in the need for an interim tailings pond so that production can begin as scheduled
- Designed for 1 year storage on an interim basis with the possibility of expanding for permanent use



# **ENVIRONMENTAL IMPACT – ON LAND**

## ***‘Footprint’ of the planned development is small***

### **▪ Closure Plan**

- Tailings and some waste rock deposited underwater where there is a natural rock basin to contain them**
- Rock stored on surface is not hazardous to be made into a hill and planted with trees and grass at closure**
- All surface structures to be removed for sale or salvage**
- Building foundations to be leveled to grade, contoured and seeded with grass and trees**
- Roads to be scarified and seeded except where communities want to take over and use after the mine is finished**
- Water management test program to be sustained for minimum 3 years or longer if necessary**
- Surface openings will be permanently capped**





# BUCKO LAKE NICKEL DEPOSIT

**'Footprint' of the planned development is small**



**Total mine-site and power-line occupies only 6.8 hect. (powerline = 2.2 hect.)**



# **CONSULTATION**

- It is not a 12 letter word!
- All parties benefit when done properly
- Community engagement begins early and should continue through the life of the project
- Be sure to engage all the potentially affected communities
- It should not be viewed as a short term activity (ex: to obtain permits)
- It should be viewed as an opportunity to keep stakeholders informed and involved in the project
- Helps prevent misinformation and rumours from gaining traction throughout community



# **COMMUNICATIONS**

- **Critically important to train staff in dealing with stakeholders – if they are not sure how to answer a query, say so**
- **It is very important that there are only a few key employees designated as key contacts for stakeholders**
- **Be accessible to stakeholders**
- **Reach out to community with site tours, school visits, community meetings, etc.**



# **INFORMATION**

- **Through the consultation process, many different stakeholders from a variety of backgrounds will be in contact with you**
- **All of them will have some very interesting and valuable feedback – be open to their suggestions and recommendations**
- **To assist them in understanding your project, it is very important to share information with them and help them to understand it**
- **Need to take time and effort to simplify technical information so it can be understood**
- **Ask for feedback from people during meetings**
- **Make educational material available (ex: consider translating certain documents)**
- **Hold educational workshops**



# **MEETING STRUCTURE**

- **Need to keep in contact with community on a regular basis**
- **Meetings may vary from specific requirements (ex: permitting related) to general information sessions**
- **Meeting attendees may be general to specific (ex: Chief and council, elders, commercial fishermen, etc.)**
- **Be sure to identify the decision makers in the communities and remember there may be more than one (ex: elected Chief and the Elders council)**
  - **Deal with all of them – separately if necessary**
- **Format may be formal presentation to open house style to general meeting**





# ***HOW TO RUN A MEETING***

- **Make sure meeting location and time notice are distributed throughout community (bulletin boards, town office, individual mail-outs, etc.)**
  - **Ask community members how best to advise them of future meetings**
- **Try to get word out through employees so that representative members of the community will show up (ex: business people, various interest and industry groups, etc.)**
- **Circulate an attendance sheet so you have record of attendees**
- **Make notes of discussions**
- **Prepare good audiovisual presentation**
- **Information should be presented in terms people can understand....not too technical!!!**
- **Be sure to translate to the terms of their surroundings and understanding of the natural world, but not over-simplified**



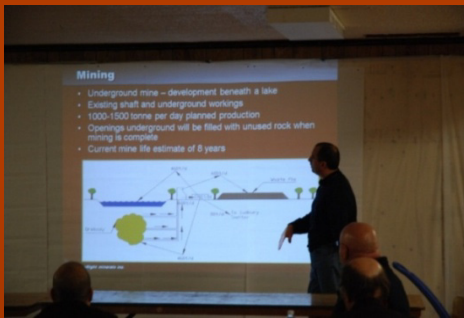
# **MANAGING EXPECTATIONS**

- **Need to share information on project from feasibility study so stakeholders understand the risks associated with the project**
- **Announcement of new project often means unrealistic expectations in the community (ex: Company has unlimited funds to immediately assist community in projects, everyone will get a job right now, etc.)**
- **Provide basic education on the mining cycle – there is a clear need for broader understanding that exploration drilling does not mean a mine is about to open and that agreeing to a drill program on traditional lands does not mean agreement to a mine later**
- **Need to show stakeholders the timelines and activities associated with the project**
- **There are going to be multiple stakeholders and all parties believe the majority of benefits should accrue to them (ex: Community, First Nations, Métis, etc.)**
- **Transparency, directness, and honesty are important and valued by the communities. They need to hear the bad news as well as the good news**



# COMMUNITY INVOLVEMENT

- Frequent information sessions held with Wabowden and surrounding communities (Snow Lake, Cross Lake, Thompson, MMF reps) to ensure continuous communication
- Plans to implement a local hiring and training program this spring
- Crowflight welcomes other opportunities for community involvement as well (ex: Cross Lake tobacco ceremony, surveys for feedback)



Community consultation



Site tour



Community consultation



Tobacco Ceremony



# **GOVERNMENT CONSULTATION**

- **“The Crown’s duty to consult” – Crown means federal and provincial government decision-makers**
- **Mining companies can conduct and should be responsible for community engagement , while the government conducts formal consultation. The consultation will never be better than the engagement.**
- **Don’t be shy about asking to be included in formal consultations in a support capacity**
- **The environmental assessment and approval process is one of the key “triggers” for formal consultation – be ready well in advance**
  - **Environmental technical issues seldom stop a project. Poor community relations typically will**
- **Rather than expecting to keep government in the loop, meet with government early to identify their expectations. Some governments will want to be at the meeting table throughout (ex: MB) while others will not want to attend (ex: SK).**
- **We also need to change the relationship between government (mining) and aboriginal communities**
  - **Companies often have more success with consultations than government due to the history and posturing that blocks successful discussion**





# **SUMMARY – OUR CHALLENGES**

- **Our biggest challenge is managing expectations between various stakeholders (First Nations, local community, etc.)**
- **We are not going to make everyone happy**
- **Not everyone will benefit from our project**
- **We are under the microscope in everything we do (ex: hiring procedures, etc.)**
- **It takes a lot of effort to build a good relationship and very little to destroy one**



# **SUMMARY – OUR SUCCESSES**

- **We have built reasonably good relationships with our stakeholders through continuous communication and collaboration**
- **We attempt to be open and transparent at all times**
- **We have had tremendous support and participation by stakeholders through the consultation process**
- **We are committed to consult regularly with our stakeholders**
- **Our success in consultation has helped our relationships with government**



# **CONSULTATION – OUR EXPERIENCE**

- **Not everyone is going to like your message**
- **Attempt to be open and transparent (ex: post technical info on your website)**
- **Senior company officials should be readily accessible to stakeholders**
- **Keep in regular contact with key stakeholders**
- **Key stakeholders will behave differently in private and in public**
- **Managing individual expectations within communities is a challenge**
- **Managing expectations between various stakeholders is the toughest challenge**
- **Don't promise something you can't deliver**
- **Together we need to change the perception of mining and environment. History has not been good to mining's reputation, so how do we present best practices and develop trust?**

