DAVE HUER
Practical wisdom & Profitable Thinking

SACRED PRIORITIES PROTOCOL

An Administrative Procedure for Measuring 'Intangible' Environmental, Social, and Cultural (ESC) Values

Image: Kemess South copper mine

CHALLENGE: It is explicitly clear that certain lands and waters are not open for industrial use for cultural, archaeological and natural reasons—and courts and review panels increasingly agree. When companies do not accept local "intangible" property valuations—when these cost-benefit issues are ignored—projects like Kemess North, Northern Gateway, and Kinder Morgan II fail. They lose "social license"—and millions of dollars in investor money at federal Environmental Review Boards (ERBs).

Industry works with what we are given. Our simultaneously racial, legislative, and cultural challenge: colonial-era statutes a century behind the curve; structured around the claim that the Provincial Crown existed before First Nations people arrived 8-12,000 year ago. And a 'world-view' gap: reporter Yadullah Hussain notes that "industry and communities often appear to talk in different tongues. Engineering and technical companies that can competently address the legal and technical requirements of the most stringent regulators, frequently stumble when it comes to dealing with inquiries from the general public." This speaks to a deeper challenge: the impact on intangibles cannot be consistently and predictably addressed if there is no value scale to assess impact potential.

OPPORTUNITY : First nations and industry are leading the way. In 2014, AuRico Gold Corp. re-filed a Kemess North permit application that recognizes First Nations' concerns: "It was obvious that to get social licence [for the project], we had to do a far better job of explaining and engaging with First Nations…To get a discussion going, we made a commitment that we would not consider using Amazay Lake for any purpose related to mining."[1]

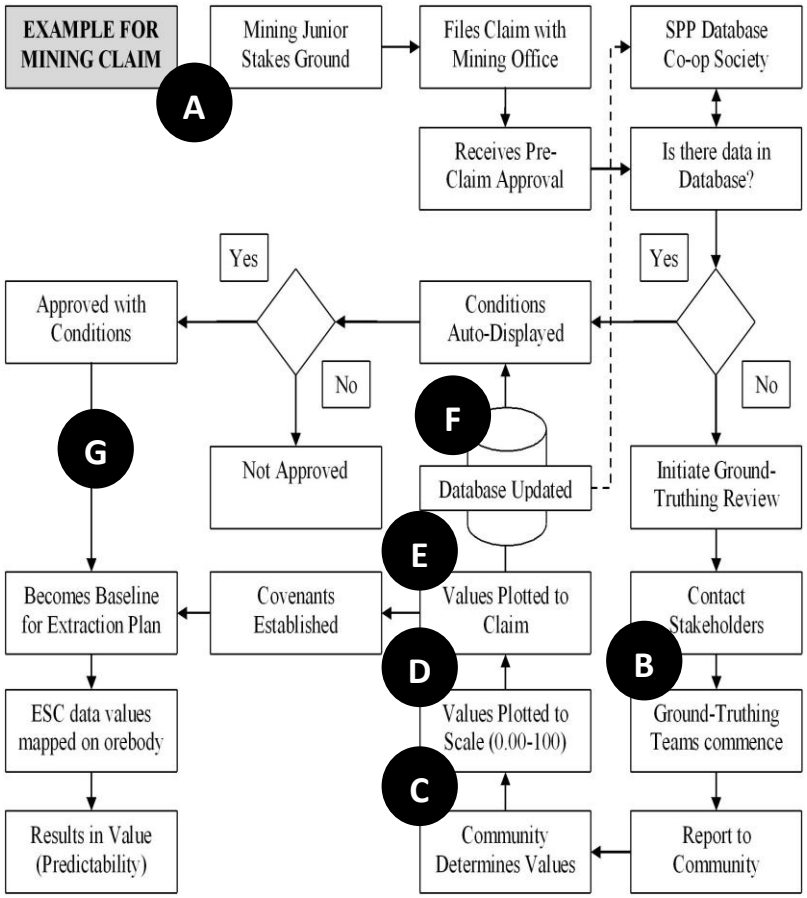
APPLYING SPP: But there is a deeper challenge. One agreement does not resolve the systemic economic barrier. SPP addresses the challenge by creating an administrative process to create local assessed values; a normal addition of duties to the normal practice of recording land registry data. The duty is to have stakeholders gather and assess impact of their values by assigning scaled values in a transparent way that all sides can understand. This could be initiated and tested with or without government involvement.

METHOD: Using ruggedized off-the-shelf tablets and a data-gathering app, establish ground-truthing teams in partnership with local First Nations, local stakeholders, and resource companies. Manage value assessments in a independent Community Co-Operative Society database. Enable the society to license the data for cost-recovery.

RESULT: Reconciliation and win-wins. Imagine Kemess North if the SPP process had originally been in play? Measurable values create valuation certainty and competitive advantage over the discredited old way.When local district stakeholders jointly use handheld data tools, an app and community conversation to map, measure, and declare what ESC Values mean for local districts; a*nd their decisions are respected*...ESC values become a respected standard scientific/technical measure of value that can be used to plot covenants to a common scale [0.00 to 100];. This creates an opportunity to resolve overlapping cultural perspectives and claims by creating a hybrid solution that simultaneously acknowledges the validity of multiple claims, *before geoengineering begins*.[2]

[1] http://www.theglobeandmail.com/news/british-columbia/kemess-mine-back-with-underground-plan/article17391189/

[2] These could be called "Venn Solutions" (after the overlapping middle ground in Venn diagrams).



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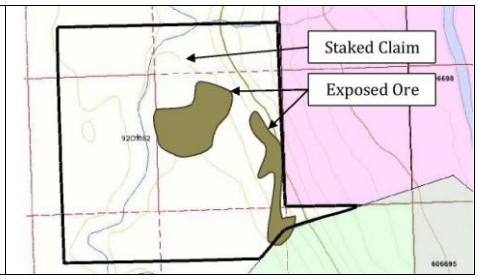

B

Motion Computing's F5te Tablet PC[3] *– example of rugged field-capable data-gathering tool*

C

	Site 1	Site 2	Site 3
ESC1	2.0	0.0	3.6
ESC2	3.0	0.0	3.6
ESC3	73.0	41.0	34.0
ESC4	26.0	0.0	3.6
ESC5	77.0	44.0	41.8
ESC6	32.0	33.0	49.0
ESC7	33.0	61.0	5.5
ESC8	23.0	0.0	32.0
ESC9	55.0	4.0	45.8
ESC10	85.0	0.0	3.6
Total	409.0	183.1	222.4
	Lat/Long01	Lat/Long02	Lat/Long03

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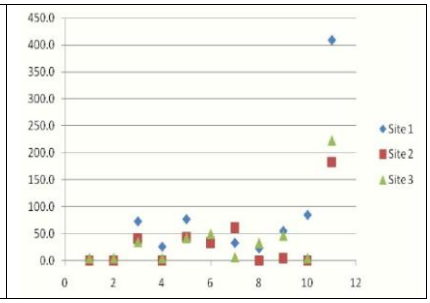

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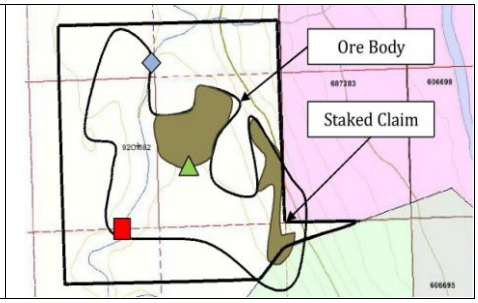

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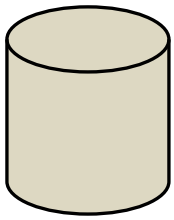

Database owned by independent community database co-op society

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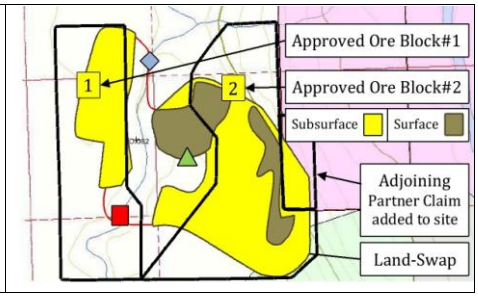

[3] http://www.motioncomputing.com/site_imgs/uploads/f5te/f5_mainbanner.jpg

MOVING AHEAD

FRAMEWORK – GETTING AHEAD OF THE CURVE: Exploration produces complementary resources for local use. Co-op-owned data, and a self-supporting public-private database depository managed by technical colleges[4], is a key feature. Industrial associations and local data providers donate initial data-gathering costs and obtain donation tax credits. All data gathering costs are expensible. Data is leased to college depositories for re-sale to public, society, and private entities engaged in tourism, planning, environmental projects, and resource extraction.

Define the Go/No-Go Value of Assessed ESC Resources

- ESC values may be assigned to waterbodies, cultural landmarks, archaeology sites, rare species, etc.
- Stakeholders will assign weighted values for resources. ex. "Sacred No-Go" = 100.000
- Details of 90-100% No-Go Sites can be isolated from an open database

Start with one project—Conceivably the revised AuRico Gold/Kemess North Project

- Create IT/Technical Field Tools for ESC Resource Joint Stakeholder Mapping
- Use standard field-collection tools for immediate work, and to develop hand-held data capture tool framework
- Use this early work to design data gathering procedures, data-gathering mobile apps, database framework

APPENDIX "A" – ECONOMIC IMPACT

Competitive Advantage: We do not have to muddle through, when there are true partnerships of good faith and goodwill. When partners demonstrate respect for ESC Values—working together to quantify "soft/intangible" ESC resource values as a scientific and technical measure before exploration and project assessment—they become "hard" data. All sides win with the minimized danger and cost of denied permit and lost partnership win-wins.

Prudent Economic Outcomes for First Nations, Local Communities, and Government

- Improved transparency—good faith and good will—helps attract ESC-driven investment
- Mitigate future cost of local regulatory assessment, lays groundwork for revised statutes and regulations
- Maximize opportunity to create innovative harm-minimizing engineering solutions
- Removes the "black eye" effect that arises from imprudent use of state security muscle
- Positive positioning for BC as a place to engage in trustworthy business

Direct Outcomes for Resource Industry, Investors, Shareholders, Management, Consultancies, & Suppliers

- Removes significant uncertainty and risk/uncertainty—maximizes the likelihood of ERB approval
- Reduces risk of write-offs, higher investor risk, higher insurance, investor flight, and international sanction
- ESC markers enable BC companies to leverage resource that is extractable using current technology
- "Zero Waste" Extraction Target to ensure stakeholders extract maximum allowable resource
- "Zero Waste" Target (100% pollution prevention of extractable resource) becomes a value-added activity
- Reduce risk of write-offs, higher investor risk, higher insurance and investor flight

Infrastructure Technologies & Expertise for Export

- Digital, Radio, & Microsensing technology
- Survey Drilling technology that can be finely located
- Better Orebody mapping & Rock Mining techniques
- Computing Infrastructure & Emerging technologies
- Satellite/Environmental mapping technology
- Nanotechnology & Waste treatment technology

Stable Market will attract spin-off activity

- Global benchmarking & Feasibility studies
- Procurement, Supply-chain design & risk analysis
- Real Estate, Tenure, Site & Geotechnical engineering
- Earthworks, drainage & stormwater management
- Industrial & commercial building construction
- Site Planning, Construction & Post Construction

[4] **Proposed Database Depositories:** Northwestern BC (Northwest Community College, Smithers), Northeastern BC (Northern Lights Community College, Ft. Nelson), Vancouver Island (North Island College, Campbell River), Central BC (College of New Calendonia, Prince George), South Central BC (Okanagan College, Kelowna), Lower Mainland Hub (TBD).