1. In response to the request for comments on how the Government should relate to the Arctic Council in the area of mining, I carried out some more research on the remit and outputs of the Arctic Council with respect to mining.

1.1 The Arctic Council has been active in ensuring that Arctic populations are well-informed about the issues involved in exploration and mining operations and thus better able to participate in decision-making processes. This seems a useful and sensible role. The Sustainable Development Working Group of the Arctic Council produced an information guide on mining in 2011 (Sustainable Development Working Group of the Arctic Council Circumpolar Information Guide on Mining for Indigenous Peoples & Northern Communities, 2011, 120 pp. http://www.sdwg.org/media.php?mid=1206, accessed 15.10.14)

‘The purpose of the Guide is to increase the ability of Indigenous peoples and residents of northern communities to understand, influence and participate in mining-related processes in order to maximize benefits and minimize negative effects on their lives, culture, land and the environment.’

The guide is well written and is based on similar material produced by Natural Resources Canada (the Canadian geological survey). The best practice in that earlier document has now been made relevant and available to the whole Arctic community. In my opinion, this is a good and useful initiative.

1.2 As mentioned during the oral evidence, I do not think that the mining industry would welcome an additional set of regulations implemented by the Arctic Council. However, a useful role is in information sharing amongst its members so that all can incorporate best practice into their relevant legislation and procedures. The Government could help
ensure that there is a mechanism for results of relevant new research and best practice recommendations that originate in the UK to be shared with the Arctic Council.

2. I was concerned that the Select Committee had heard evidence that countries other than the UK are viewed as the best practice operators when dealing with indigenous populations.

2.1 In my opinion, there is no reason, and no excuse, why UK companies should be anything other than world leaders in responsible mining practices. My advice from an international mining consultancy company is that, in a sensitive environment like the Arctic, an environmental and social impact assessment (ESIA) could cost several million dollars in order to undertake a sufficient depth of studies. Companies vary in how willing they are to do this work, with a key factor being the ability to acquire project finance. All companies will be required to do an ESIA but the amount of work will be variable. It is important to encourage UK companies to invest in best practice.

2.2. It is difficult to evaluate UK company performance in the area of responsible mining. Firstly because there is no simple good practice stamp of approval but also because mining is a very international business and companies are often listed on multiple stock exchanges, with operations and subsidiaries in multiple countries. There are only a few UK mining companies operating mines or exploration projects in the Arctic region but an important point is that there are many more companies working as consultants (see 3.2) who can encourage best practice although of course they are reliant on their client’s willingness to pay. I have given three examples of mining companies with UK connections below.

2.3 Anglo American, primary listing on the London Stock exchange, is currently exploring the Sakatti Copper-Nickel-Platinum Group Element deposit in northern Finland and is 85% shareholder in De Beers, which operates the Snap Lake diamond mine, ca. 200 km south of the Arctic Circle in Canada. Anglo American is a founder member of (ICMM) and so uses the Global Reporting Initiative (GRI) A+ standard of reporting with independent third party assurance to report its sustainability performance,
including work with indigenous communities. The ICMM (International Council on Mining and Metals) is a CEO-led organisation based in London that brings together 22 large mining companies to set and promote good practice.

2.4 ArcelorMittal is developing the Baffin Island iron ore deposit through its 50% shareholding in Baffinland Iron Ore Mines in Canada. Although it has a London address, it is listed on eight overseas stock exchanges. ArcelorMital is among the largest mining companies in the world with mining operations in ten other countries. Its web pages and annual reports articulate a strong commitment to sustainable development but it is not a member of the ICMM (International Council on Mining and Metals). The ArcelorMittal corporate responsibility report meets application level B+ of the Global Reporting Initiative (GRI) G3.1 guidelines. The company also uses the well-recognised AA1000 Accountability Principles Standard (AA1000 APS 2008) and is implementing the United Nations Global Compact (UNGC) principles (2012 corporate responsibility report achieved ‘advanced level’ reporting status by the UNGC).

2.5 London Mining PLC is a much smaller company that has been developing the Isua iron ore deposit in Greenland. It has one operating mine, the Marampa mine in Sierra Leone. Its head office is in London and it is listed on the London AIM stock exchange. The company has a large section on sustainability on its website, including an award, but no mention of any international management or reporting standards. As of 16 October 2014, London Mining PLC is in administration; financial viability is an essential part of responsible mining.

3. **Comments on Government funding and enabling UK bodies to participate in international engagement on the Arctic**

3.1 There has been support from UKTI to help companies participate in mining activities in the Arctic. In March 2013, the UK Trade & Investment Europe team organised an event in London called ‘The Arctic Challenge: Mining in the High North’, where invited guests gave presentations on opportunities in the Arctic. One hundred UK
companies, primarily made up of companies in exploration and junior mining, construction and infrastructure, financial and professional services, mining consultancy and analysis, and other service providers attended. This initiative has now finished but company interest would have been followed up by the relevant country UKTI staff (information confirmed by communication from Martin Olds, UKTI, 6th October 2014.)

3.2 There are more UK consultants than UK mining companies working in the Arctic region. I have listed some examples below. They would have benefited from the UKTI initiative but also may benefit from a mechanism to ensure they are involved in, and kept up to date with, the results of research and best practice studies in the UK.

A.C.E. Howe International Ltd Geological and Mining Consultants www.acahowe.com/ international geological and mining consultants providing consultancy, management and contracting services to the mining industry. Map shows location of projects in the Arctic region: Geological and Mining Consultants http://www.acahowe.com/projects/

AMC Consultants (UK) Limited www.amcconsultants.com/ Independent mining consultancy, providing services exclusively to the minerals sector.

CSA Global http://www.amcconsultants.com/ Privately-owned consulting company that provides multi-disciplinary services to our clients in the global resources industry. Has an office in UK, and in Russia.

Golder Associates www.golder.co.uk Employee-owned, global organisation, consulting, design, and construction services in our specialist areas of earth, environment, and energy.

SRK Group (http://www.srk.co.uk) Mining consultancy services, wholly owned by SRK employees, with offices in many countries, http://www.srk.se.com/en/contact-us/se-offices-map, including UK, Denmark, Sweden, Canada (5 offices), Russia.

Tetra Tech www.tetratech.com/services/arctic-engineering.html Has specialist Arctic engineering.

Wardell Armstrong / Wardell Armstrong International www.wardell-armstrong.com/mining Geological and mining consultants providing consultancy, management and contracting services to the mining industry. Based in UK but also has an office in Russia.

3.3 There is relevant research in a number of UK Universities. I am most familiar with, and thus listing, examples of universities that have relevant geological projects and mining studies. Besides Camborne School of Mines, University of Exeter, these universities include the Department of Earth and Environmental Sciences, University
of St Andrews; Department of Earth Sciences, University of Cambridge; Earth Sciences Department, Natural History Museum, London; School of Environment and Technology, Brighton University and also the British Geological Survey. There are research connections to companies based in Scandinavia, Greenland and Australia, as well to overseas universities working in the Arctic region. It is an important point that there will be other environmental and socio-economic studies that are also be relevant to development of resources.

3.4 The Natural Environment Research Council has an Arctic Research Programme, focussed on climate change, running from 2010 to 2015. It might be timely for the UK Research Councils to consider whether an integrated research programme on the Arctic, including resources and socio-economic issues, as well as climate change, and involving industry partners would be a productive next step for the UK.

_October 2014_