

# Stakeholders

## The Mining Game

### *stake·hold·er*

*a person with an interest or concern in something, especially a business.*

Mining companies have many stakeholders. They must answer to investors, governments, communities, and employees as well as a wide range of special interest groups.

These stakeholders often have different priorities and objectives.

It is within this environment that miners must negotiate. If successful, they fulfill the expectations of their agreements as well as remaining profitable. Sometimes however, achieving both is a challenge. For example, how do you fulfill employment guarantees when operational costs dictate reducing your workforce?

### What would you do?

In this game, players take on the role of mining companies as they face challenges based on real-world scenarios. What kinds of decisions will they make, and why? How will their company be viewed by their peers?

The game concludes with a discussion on what standards mining companies should be held to as well as our roles in mining as the question shifts from 'What would you do?' to 'What will you do?'.

## **INTRODUCTION**

Humanity has a close relationship with mining. First, humans have been mining for as long as we have existed. It could be said it is in our blood. Second, mining and our societies have evolved together. Mining defines us as much as we define mining.

So what kind of society are we, and what kind of miners are we? This is the premise of Stakeholders: The Mining Game.

## **SOME BACKGROUND: BRITISH COLUMBIA & THE BRITANNIA STORY**

Mining has shaped British Columbia's history. Consider the gold rushes. Tens of thousands of prospectors came to the mainland of what would become British Columbia. The colonial government, to protect its authority over the land and its resources established the first prospector's laws as well as invested in building infrastructure to control access to the gold fields. The opening of the interior as a result of the Caribou Gold Rush led to prospecting for other resources and the establishment of large mines which further fuelled our economic development.

These mines also played an important role in the shaping of our labour laws, with one of the more fundamental battles being for the eight hour work day.

(Related topics: Coal mining in the Colony of Vancouver Island, Fraser & Caribou Gold Rushes, land rights & treaties, Rossland)

It is on this foundation that Britannia began.

The Britannia Mine is both common and unique. It is common in the sense that over the course of the first half of the 1900s, mining was driven on scale and efficiency. Britannia excelled at both. What made it unique was timing.

First, the demand for copper (and other minerals) that was a result of the industrial revolution drove the need to mine alternative sources – alternative in both the mineral mined and the lower concentration of the mineral in the deposit. In order to mine these sources successfully, new technology was needed to separate the mineral from the waste rock. That technology is froth flotation. Britannia was the first mine in our province to use this technology in a production environment. It later developed its own version of this technology, called the Britannia Deep Cell. This is only one example of how Britannia pioneered mining in the province. It can be argued that this pioneering spirit played an important role in the development of Vancouver as a global hub for mining.

The second instance where timing made Britannia unique was in its closure. When the Mine closed in 1974, our province's environmental laws were new and everyone was still working to answer the question of what was needed to meet the new requirements. This led to Anaconda (the mine owner at the time) working with government to establish what was needed. By 1979 Anaconda had met all the agreed upon requirements and the Mine represented successful mine closure for its day.

What followed however left Britannia with anything but a good reputation environmentally. The company that assumed control of the Mine's lands and the Mine in 1980 was not capable of maintaining the environmental remediation system built following

the closure. This led to two decades of fighting between the landowner and the provincial government over who was responsible. With the introduction of a 'polluter pays' law in 1997 however, the groundwork was set for the restoration of the Mine site. What followed were the installation of a water treatment plant, which opened in 2005, and the restoration of the local creeks.

Environmentally, Britannia went from operating with essentially no regulations to meeting our first regulations. Post-closure, Britannia was at the centre of social change – one that saw attitudes shift towards a growing concern for the environment.

Today, mining in our province strives to be sustainable and environmentally responsible. This is a reflection of our social values.

But what about the rest of the world?

### **THINK GLOBAL**

BC and Canada have worked to make mining more sustainable, but what about the rest of the world? In particular, what about the developing world?

The truth is that the developing world is the frontier of mining and it is a world that is now experiencing what North America has a history of – environmental laws are still being developed, regulation of mining is weak, prospectors and independent miners are extracting mineral resources without any concern for the impacts, and land rights are still being fought over.

It is within this world that Canadian and other multinational mining companies are now operating.

In the game, players act as Canadian mining companies operating in the developing world. Each company will be given real world scenarios and asked what approach they take to address the issues.

At the end of game play, teams will assess their own companies as well as the other teams.

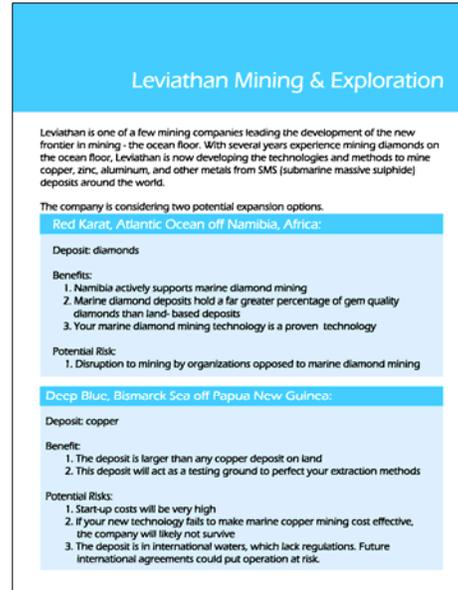
This leads into a discussion on what types of principles mining companies should employ, and what role each and every one of us plays in seeing this happen.

## SET-UP INSTRUCTIONS:

**Break class into four companies and distribute the company bio sheets.** There are two sheets for each company. The '1' sheets provide a graphical representation of the level of support for the new mining options each company has (green is good, red is poor). The '2' sheets present more detail. While both sheets can be provided to your class, you may choose to use only the set you feel will connect best with your students.



Example '1' sheet for Leviathan



Example '2' sheet for Leviathan

## Present the background:

*'Each company here today is a global mining company with several operations. The global market is performing well for mined resources, putting all of you in a position to expand operations.*

*There are several potential new mine sites that have been established by junior mining companies that are currently looking for a senior company to partner with or be bought out by.*

*First off, allow me to give you a few minutes to read the backgrounds and options on your companies. Once everyone is ready, I will ask each group to introduce your company and give a brief statement on it, including which of the two expansion options you are pursuing and why.'*

## GAME PLAY:

Once each team has decided on a mine and given the rationale behind it, game play consists of the following framework:

Up to four rounds are played, consisting of the following:

1. Present each team with a scenario card for their selected mine development. Instruct the teams to evaluate the scenario and decide how they will address the

issue. Ask your students to identify the potential bigger issues while addressing the action question on the card.

<b>NORTHERN FRONTIER</b> <small>VULCAN COAL</small>	<p>The first pit of the operation is due to close.</p> <p>Legally, all you are required to do is place a fence around the pit.</p> <p>By Canadian standards you would be required to consult with local peoples on mine closure.</p> <p>Local peoples want the land turned into grazing lands for cattle, while artisanal miners want access to the pit for small scale mining.</p> <p>What do you do?</p>	<p><b>Real World Lessons:</b></p> <p>Negotiating with local peoples before mining begins includes identifying land reclamation following closure.</p> <p>Including people from all aspects of the community in these discussions is important.</p> <p>The end land-use solution settled upon should be reached by consensus where possible, with input from experts on what is the best use of the land.</p>
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**Scenario Card for Northern Frontier Mine**

2. When all teams are ready, ask each team to present a synopsis of their issue and solution to the class. Use questions to build out answers as needed, including introducing potential outcomes from their decisions.

**Example dialogue:**

Facilitator:

*'Vulcan Coal, please tell the class what issue your mine faced and how you addressed it.'*

Vulcan Coal:

*'We are closing one of our open pits. All we are required to do is keep people out of the pit, but local miners want to mine in it while farmers want us to fill it and make land for grazing.'*

*'We want to allow local miners to use the pit, as it gives something back but costs us nothing.'*

Facilitator:

*'But what if something happens to local miners working in your pit?'*

Vulcan Coal:

*'We will pay off the families if something happens.'*

Facilitator:

*'What if families demand more than you will pay, claiming you were negligent in allowing locals access to the pit?'*

Vulcan Coal:

*'We are willing to take that risk.'*

Facilitator:

*'Even if it such a scenario could cause a halt in operations to the mine?'*

Vulcan Coal:

*'We will maintain the pit so it is safe for locals to mine until the entire mine closes.'*

Facilitator:

*'And then?'*

Vulcan Coal:

*'It won't matter because we will have left.'*

Facilitator:

*'What about your reputation? Are you concerned something happening after you leave will damage your ability to open future mines?'*

Vulcan Coal:

*'No. People want coal so we will be fine.'*

Facilitator:

*'That is your gamble. How much risk did our next company take?'*

3. After each round, introduce a global factor card. This will demonstrate how there are many factors outside of the mine's operations that effect it. Discuss the impacts and how each company responds to it.

<b>GLOBAL FACTORS</b>	<p>Canada introduces new legislation allowing Canadian mining companies operating abroad to be tried in Canadian court for their actions in those other countries.</p>	<p><b>Real World Lessons:</b></p> <p>While every county has its own set of laws, in some countries enforcement is weak. This has from time to time led to violations of the laws.</p> <p>More recently however, first world countries have begun to enforce home country standards on companies operating abroad.</p> <p>For companies that have bent the rules in the past, this potentially brings new liabilities and damages to reputations.</p>
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**Global Factors Scenario Card**

Adapt the framework as need be. For example, you may choose to introduce global factors as scenarios that could impact team decisions as part of step 3 rather than using the cards.

#### **AT THE END OF GAME PLAY**

'Is there a winner?' This is a question you may encounter. While the game does not explicitly present a winner, the following two bridges from game play to the discussion provide a way to stimulate conversation.

##### **Option One: Pick a Winner**

In this option, you pick a winner. Stressed at this point is that selection of the winning team is a matter of interpretation – interpretation based on what you value. This is the reality of mining – by whose values will you aim to succeed?

##### **Option Two: The court of Public Opinion**

In this option, ask each team to take a couple minutes to assess the performance of their companies and prepare a closing statement on what their values are (using their decisions to support this). After each team presents their statement, ask the team to vote by show of hands if they felt they performed responsibly. Once all teams have presented and voted on themselves, then ask each team to be voted on by the rest of the class. Ask a question related to the outcome, for example, 'Why does each team think it performed responsibly but in each case the rest of the class did not agree?'

## **THE DISCUSSION**

Use questions to guide your students through identifying what they believe to be important aspects of mining. Act as a facilitator – keep the discussion going in the desired direction but remain impartial. Provide questions to stimulate thought. Create scenarios your class can relate to if needed.

Example Discussion Questions:

1. Human rights – should mining companies uphold them?
2. Sustainability – what does that mean to you when it comes to mining?
3. Should we strive to reduce our environmental impact?
4. Should we be aiming to have high standards globally?
5. Is mining the best use of the land?
6. Should mining companies be involved in reducing the demand for mined materials?
7. What do you expect of mining companies?

## **ONE STEP FURTHER**

To take the discussion further, take a look at ‘Mining: Tomorrow and Beyond’ in the Museum’s Educator Resources.