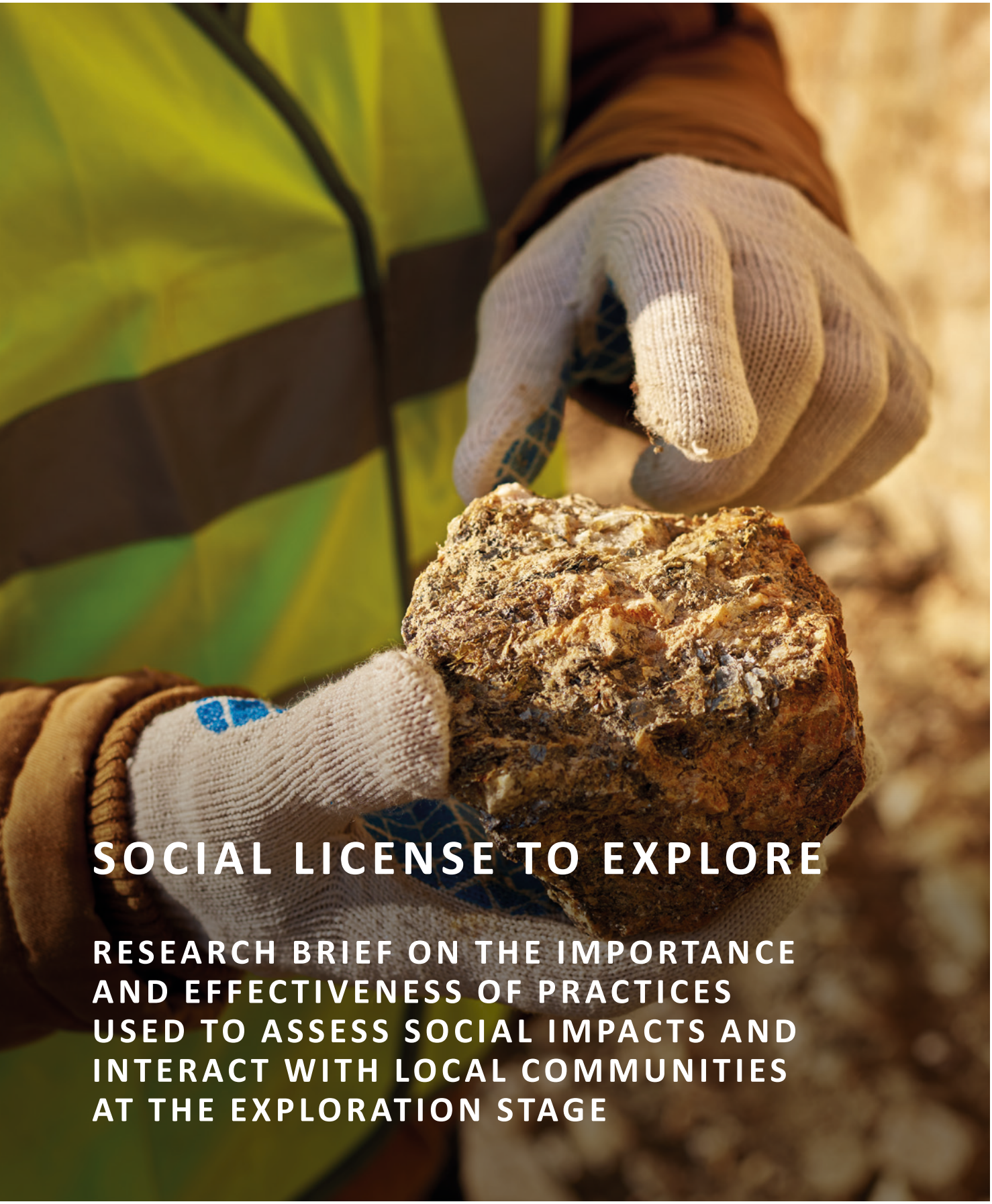
NEXT
New Exploration Technologies



SOCIAL LICENSE TO EXPLORE

RESEARCH BRIEF ON THE IMPORTANCE AND EFFECTIVENESS OF PRACTICES USED TO ASSESS SOCIAL IMPACTS AND INTERACT WITH LOCAL COMMUNITIES AT THE EXPLORATION STAGE

1 INTRODUCTION

This research brief introduces the concept social license to explore (SLE), reference to the relationship between mineral exploration companies and the communities where exploration takes place. SLE is especially important in the green fields, i.e. areas where mineral exploration companies are newcomers and often the first representatives of the industry. This early stage plays a significant role in shaping relationships and influencing attitudes of local people towards the project, including the possibility of a mine. The term SLE originates from the concept Social License to Operate (SLO), widely used in the mining sector, usually referring to local acceptance of operations earned by company performance. Neither SLO nor SLE is an official or legal permit, on the contrary, it is an informal and unofficial approval, acceptance or support from the local community.

This research brief is a product of the NEXT (New Exploration Technologies) project funded by the European Commission Horizon 2020 Programme. Based on a review of scientific literature, and practical examples from Sweden and Finland, this brief communicates the current state of knowledge and identifies important knowledge gaps on social acceptance during the mineral exploration phase. The research brief is primarily aimed at companies and geologists involved in mineral exploration but may also find usefulness for relevant decision-making authorities.

There is very little evidence-based knowledge about SLE, for example the factors that shape local attitudes, the importance of early interaction, the nature of impacts and the role of technology. It has not been prioritized in research, nor by industry, as the social impacts of exploration are considered less intrusive than those of mining. This research brief provides recommendations based on available knowledge, but points to the need for more research. Previous research and ongoing H2020 projects suggest that neither research nor the public differentiate between exploration and mining in the context of acceptance and reputation. However, the exploration phase is associated with specific challenges. Mineral exploration is a long, costly, competitive, and high-risk activity characterized by uncertainty and ambiguity. Moreover, field work and financing are often undertaken by junior exploration companies operating with limited resources. Nevertheless, relationships and attitudes that are formed during the exploration stage may follow a project throughout its lifespan. The recommendations below draw on existing knowledge about company-community interactions and focus on how to handle the specific challenges of exploration.

2 EARLY COMMUNICATION AND INTERACTION WITH THE LOCAL COMMUNITY ARE KEY FACTORS

The relationship between companies and communities during mineral exploration is characterized by uncertainty about development of the exploration project and, as a result, an important task is to manage expectations. Although roughly only one out of a thousand exploration projects lead to the establishment of a mine, exploration and mining are intertwined. Some welcome exploration as they expect a future mine to generate economic benefits, while others fear negative environmental and social impacts. In contrast to mining, mineral exploration is not permanently location specific. Exploration activities move over large areas, covering several different municipalities and communities.

Given the transient and uncertain nature of mineral exploration, timely and relevant information to local actors and decision-makers before the onset of exploration activities are particularly important. The lack thereof may increase uncertainty and, hence, trigger suspicions about the company and its activities. Identification of local actors and right-holders, appropriate means of continuous communication as well as clear, relevant and objective information play a significant role in diffusing such suspicions.

Good company-community relationships are key to gaining and maintaining a SLE – and later a SLO. It is earned by open and fair dialogue and mutually beneficial collaboration with the different stakeholders in the community. People need to be informed on who manages the operations and how they will be carried out. The company's contact information should be provided for feedback and questions, accessible via a company website. The quality of company-community interactions is typically more important than the quantity, but they go hand-in-hand.

Good relations and dialogue cannot be imposed – but grow out of positive experiences and trust. Collaboration regarding the planning of exploration activities are recommended, particularly in sensitive areas where negative impacts on local livelihoods and activities are expected. Sensitivity to local views and the recognition of "no-go zones" will improve relationships. In cases where exploration activities take place on traditional indigenous territory, it is important to make sure that indigenous rights are respected from the very start of the project.

Recommendations for good company-community engagement during exploration are:

- Identifying relevant actors and right-holders including the host-municipality, local communities, landowners and other land-users.
- Providing timely, relevant and objective information, including a detailed description of the exploration and its purposes, to the identified actors, stakeholders and right-holders before starting the exploration.
- Making sure local people are regularly informed and updated about the progress of the exploration activities, and that mechanisms for handling feedback and questions exist.
- Being sensitive to the quality of company-community-relations and make sure local people's views are heard, respected and reflected in action.

A solid plan for stakeholder engagement may include:

- Identification of key community actors and right-holders, with attention to gender and interest representation
- a strategy for communication and actor/right-holder engagement, sensitivity to local actors' views
- a systematic execution of the strategy
- a continuous assessment followed up by strategy revisions when needed

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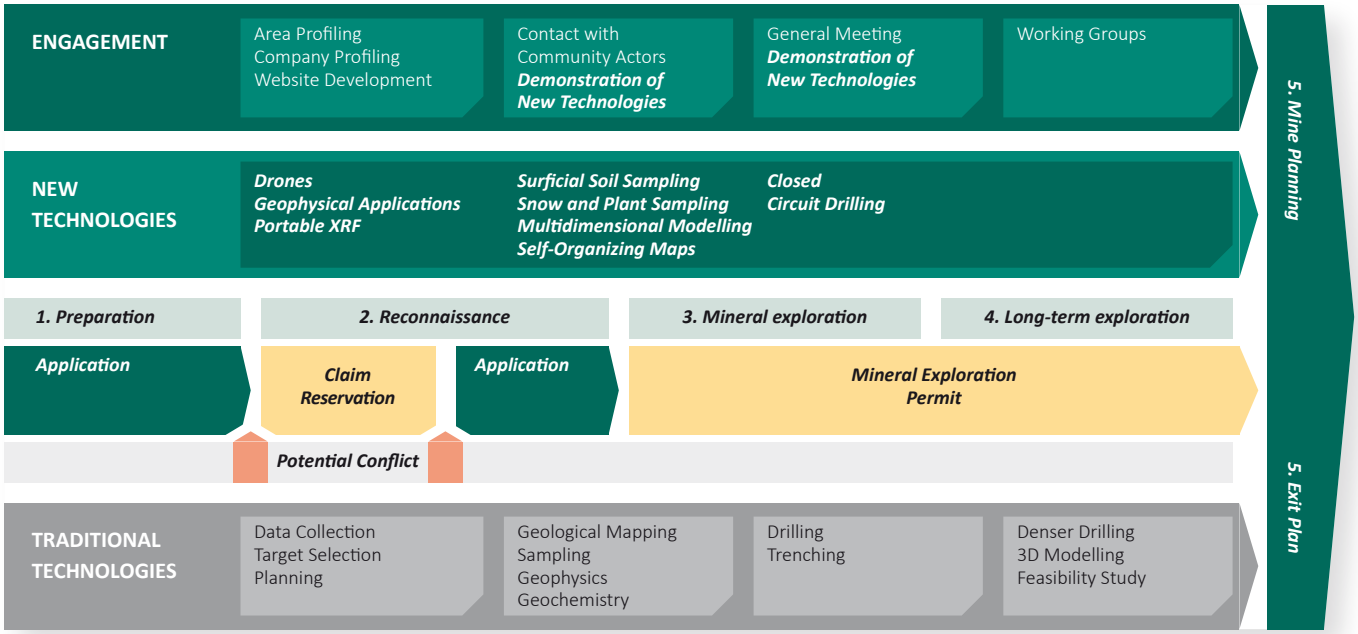
MINERAL EXPLORATION PROCESS



3 KNOWLEDGE OF THE LOCAL CONTEXT IS A PRECONDITION FOR OBTAINING THE SLE

SLE is gained from affected communities, typically near the exploration site. These communities, and the actors within them, vary in values and attitudes, all influencing the development of the exploration activities in a certain locality. As the mineral exploration company is often a newcomer to the locality, it is important to understand the social, economic, and environmental context of the community. In a good company policy, important aspects to be recognized are:

- History of mineral exploration and mining in the area and peoples´ experiences and perceptions
- Presence of indigenous people or other minorities with particular rights
- Demographic data and socio-economic conditions
- Land use and livelihoods in the area
- Vulnerable groups possibly affected by mineral exploration and potential mining development
- Proximity to nature conservation, cultural heritage or tourist destination sites, as well as to residential areas

Also, perceptions about the explored commodity itself may have an impact on the SLE process (e.g. uranium or coal).

Geophysical surveys by drones

Sampling from trees

Tools and Guidelines for Mineral Exploration: Examples from Finland and Sweden

In Finland, a unique forum for cooperation and self-regulation of mineral exploration and mining, i.e. ***The Finnish Network for Sustainable Mining*** has created a toolkit in mineral exploration after the stakeholder engagement:

https://www.kaivosvastuu.fi/en/toolbox-exploration/

and standard for sustainable mineral exploration including stakeholder involvement, biodiversity conservation, safety and health:

https://www.kaivosvastuu.fi/network-approves-new-standard-for-sustainable-exploration/

In Sweden, the industry association of mines, mineral and metal producers, SveMin, released the ***Minerals Exploration Guide*** in 2018 for parties interested in regulatory framework and consultation practices related to exploration in Sweden:

https://www.svemin.se/en/english/publications-and-downloads/

4 NATIONAL REGULATION SETS THE FRAME

In most jurisdictions, mineral exploration is regulated by a Mining or Minerals Act. Although SLE refers to a "license" given by the community, legal licenses are granted by the state through the authority that issues mineral exploration permits. Most states have provisions to protect public interests and have central roles in the management of mineral resources, for example through policy making, taxation, monitoring, as well as providing geological data.

To date, the interplay between the regulatory framework and extra-legislative SLE commitments are not well investigated. However, citizens' trust in public institutions is a highly significant factor for social licensing as the state defines the standards for industry compliance. This trust is enhanced by efficient, consistent and legitimate administration by the involved authorities and the companies following the regulatory framework.

Snow sampling

5 NEW EXPLORATION TECHNOLOGIES AND SLE

New mineral exploration technologies, such as the ones being developed in the H2020 NEXT project, are targeting increased efficiency, as well as reduced costs and, a reduced ecological footprint. There are expectations that less intrusive exploration technologies with a lower environmental impact may enhance social acceptance. Therefore, the role of sensitive exploration technologies to social licensing and the maintenance of SLE long term is explored within NEXT.

Social License to Explore in the H2020 NEXT Project

In the H2020 NEXT project, perceptions about new technologies and their role in social licensing of mineral exploration are studied in two locations. Mawson's exploration site on the border of the Ylitornio and Rovaniemi municipalities in northern Finland, where the new technologies are tested, constitute one case study area. Boliden's exploration in the Gällivare municipality in Sweden is used as a comparative case. Boliden's long-standing exploration activities are used as a base-line to help assess the effects of Mawson's use of new technologies.

The new mineral exploration technologies under development in the H2020 NEXT project include geochemical soil, snow, and plant sampling as well as the use of drones for geophysical field surveys. These have in common that they are targeting increased efficiency, reduced costs and, a reduced ecological footprint. Local attitudes to exploration activities and the new technologies are explored by interviews, surveys and analysis of written documentation and will be presented in upcoming NEXT reports and Briefs. The outcomes of these research activities are expected to produce inputs to a toolkit designed for mineral exploration companies.

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