

#TMS2013: Sustainability and the Bottom Line

☒ The discovery of valuable mineral deposits has driven mining firms into increasingly far-flung geographic regions. This expansion has been accompanied by new and often unanticipated environmental and social risks that have substantial implications for corporate competitiveness and profitability. These risks are the main aspects considered under 'sustainability'.

There are no set formulas but generally sustainability must integrate social, community and environmental factors through education, nutrition programs, health provision and facilitating infrastructure. This promotes the idea of long term goals, technology transfer, economic growth and poverty reduction.

At a global level, at least six powerful "mega-trends" are increasing both the importance and awareness of sustainability considerations in the markets:

1. The expansion and intensification of industrial competition into emerging markets, exponentially increasing the level of risk for both major corporations and investors from these new, non-traditional factors
2. Tightening national, regional and global regulatory requirements for stronger company performance and disclosure of non-traditional business and investment risks.
3. Changing attitudes of consumers and investors, substantially increasing the saliency and financial stakes of companies' environmental, social and governance performance.
4. A substantial broadening of what is considered legitimate fiduciary responsibility to include

companies' performance on these new issues.

5. Growing pressures from internal non-governmental organizations, armed with unprecedented resources, access to company data, credibility and global communications capabilities.
6. A growing inclination – and capability – among major institutional investors for shareholder activism in the governance of their portfolio companies on these issues.

The ultimate reason for pursuing and investing in sustainability is that it is inherently modern; it represents the new model, regardless of anyone's feelings or associations with crackpots, about environmental and social issues. The latter pose significant risks that have been overlooked in the past. The companies that address these issues demonstrate superior management and a more 'sustainable' business model.

There are two general misconceptions. The first is held by many investors and corporate leaders and it is that there is a negative relationship between the factors that comprise sustainability and financial return. The other misconception is held by the socially responsible crowd, who see all business – and especially extractive businesses in mining and energy – as fundamentally evil. This has led to investment funds and approaches that eliminate entire categories of companies simply because they are perceived to be bad 'a priori'. Yet for those people who do get it, sustainability offers an excellent strategy for conducting business, especially in the mining sector. For one thing, several financial and consulting groups, the more sophisticated the better their understanding, have been considering sustainable investment in the correct light – admittedly, the concept has gained more ground in Europe than in North America, but there are efforts to catch up.

The relationship between social and environmental sustainability as valuable business strategies will be addressed by the #TMS2013 panel entitled: "*Sustainability &*

Environmental Policy Year-in-Review”.

Richard J. Spencer, Ph. D. CEO and Director, U308 Corp. (TSX: UWE | OTCQX: UWEFF) will moderate the panel. Richard has more than 20 years of global exploration experience in Zimbabwe, South Africa, Ecuador, Peru, Colombia, Argentina, Brazil and Venezuela. Richard and U308 Corp have a demonstrated commitment to socially and environmentally sustainable mining. To that end, U308 Corp. has worked closely with the host-communities located near its exploration projects. U308 is working jointly with the community to identify ways to improve quality of life through better nutrition, health, education, water quality, employment and agricultural growth.

The speakers include:

Alessandro Bruno, Senior Editor at ProEdgeWire will help present the case for sustainability as a valuable business strategy. Alessandro writes frequently about emerging markets and international risks. He also has experience in the area of sustainable investment research, having been a senior analyst for sustainability at one of the sector’s pioneering firms. Alessandro has written extensively about sustainability in business, developing analysis parameters and related performance evaluation tools.

Chris Berry, President and Founder, House Mountain Partners: Chris is an expert at identifying the risks and opportunities stemming from geopolitical risks and opportunities in the fields of commodities, junior mining and resource stocks. Chris is very interested in the relationship between emerging and developed economies, the commodity, energy, and technology markets, and junior mining and resource stocks positioned to benefit from these phenomena.

Anthony Mariano, Ph.D., Founder Mariano Consulting has nearly 50 years experience as a consultant, exploration geologist, senior earth scientist and adjunct professor. His mining

experience extends to 52 countries in North and South America, Europe, Asia, Africa, and Australia and his insights from the 'field' are invaluable in understanding how sustainability impacts project performance.

Sylvain Saint-Pierre, Vice President Marketing, Energy and Nuclear, SENES Consultants Limited. Mr. Saint-Pierre has over 23 years of experience in the fields of radiological protection, environment, nuclear waste & used fuel, and decommissioning at the forefront of the nuclear industry, internationally and at multiple levels at operating sites, with corporations, trade associations, governmental agencies and consulting companies. Mr. Saint-Pierre has been involved in a wide range of environmental, health & safety, and of other sustainable development aspects for the nuclear industry and for diverse mining & processing industries.

Janice Zinck, Assistant Director Green Mining Research, Natural Resources Canada. Janice has a Master of Engineering degree from McGill University and is an expert in green mining and processing. She has over twenty years experience in environmental management and processing specifically in the areas of mine water treatment, sludge management, impurity control, and mine waste management. She has had conducted numerous research projects on water treatment and waste management and has been involved in many national and international collaborations involving industry, NGOs, other governments and universities. She is currently Chair of Metallurgical Society's Environmental Section, Secretary of the Canadian Mineral Processors, and was recently named Chair of the new CIM Environmental and Social Responsibility Society

In many cases sustainability is also concerned with emerging market strategies and political risk. Many mining areas in developing countries have been typically suffering from significant social inequality, marked by the problem of lower incomes and fewer opportunities to participate the recent wave of economic growth. By treating the local population as

stakeholders, these too in turn become trustworthy supporters of a project, ultimately contributing to production and important assets in the value chain. Many areas of Latin America, Colombia in particular, and now Asia and Africa have been encouraging the notion that competitiveness and environmental sustainability are not mutually exclusive. Sustainability begins with gaining an understanding of local needs, regardless of whether they are directly affected by a company's activities; chances are that in the areas where mines are located the communities are deeply affected.

Sustainability: it may seem like an overused word and conjures up images of granola types in sensible shoes, preaching their love for the earth and suspicion of business and industry. In other words the whole idea of sustainability has been imbued with a sense that it runs 'against the grain' of business. Part of the problem is that the concept of sustainability, especially its social and environmental aspects, have been presented in an overly ideological manner; and both some of the proponents and detractors of the concept are to blame. The investment and business public have been poorly served on the subject of sustainability and this Panel will make the case for its importance and desirability.