



Mining Business Risks Summit 2012

Valuing your options

1-2 November, 2012
Intercontinental Hotel
Toronto, Canada

www.miningrisks.com



Miners' concerns are mounting as uncertainty rises on all fronts.

- Are the heady days of the commodity boom ending?
- Which way will the global economy—and what does it mean for mining?
- Are the stakes getting higher as resource nationalization gathers momentum?

Hear from leading thinkers on these and other subjects.

Mining Business Risks Summit 2012

Government and miners have differing goals in taxes and revenues—and not just the amount.

Government wants a steady, reliable income source—that suggests royalties and taxes on revenue or the amount mined. Governments want revenues to continue even if commodity prices fall.

Miners want to pay taxes they can afford—that suggests taxes on profits. Mining companies don't want money going out the door when money isn't coming in the door.

Yet, both sides have shared interests. Governments hardly want mines shut down and employment reduced when commodity prices or profits fall and companies on the other hand, don't want tax schemes on profits that rip away virtually all the gains in good times, as some "super profit" schemes would.

Size matters too. Governments want the highest revenues possible; companies want the lowest possible tax rates and royalties. But even here, there are commonalities. Governments don't want taxes and royalties so high they discourage the developments of the future and cause premature mine closures. Miners don't want government revenues so low that it engenders hostility to the industry and threatens political and taxation stability.

To make matters more complicated, four sides need to be satisfied. Local communities experience the greatest physical and social disruption from mining, but they are usually a small far away minority where the central government is concerned. Certainly they want the gains in income and the improved schools, hospitals and

infrastructure that comes with mining, but they also want respect for culture, a clean environment, balanced social and economic development and a life after mining.

The exploration community has a particular interest in super profits. Most exploration projects fail. Large returns on the success stories are required to pay for all the "dry holes". Their interests and concerns are not the same as the majors, and they have a fundamentally weaker bargaining position when it comes to negotiations with government.

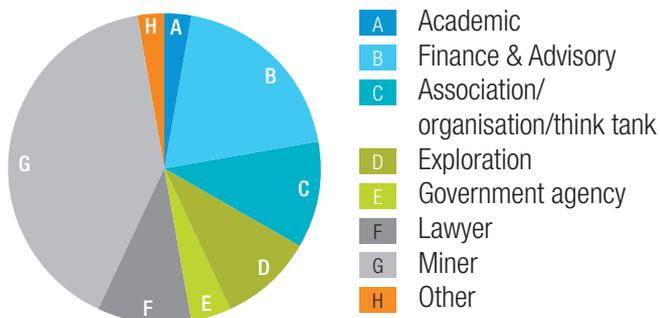
Each of these four groups—government, the community, juniors, majors—has a different perspective. You cannot do without the co-operation of all of them. Turning off the juniors means eventually you start running out of ore (e.g the African copper belt in the 1980s). Getting a bad reputation with the majors means your assets lie fallow (e.g. Venezuela's bauxite/alumina sector). Ignoring communities means at minimum NGO harassment, blockades and other disruption and in extreme cases local revolutions and loss of assets. Finally you are not likely to build a sustainable business if you are at loggerheads with the national government all the time.

Yet, since everyone needs everyone else, there's room for a meeting of minds, and that's what the summit is all about.

You'll hear from all sides, explaining their views and priorities. You will have the needed intelligence to effectively present your views in the public forum and negotiate in good faith, well informed.

Don't miss this important mining summit.

Breakdown of 2011 delegates:



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Program outline

Day 1, 1st November 2012

- 09:00 **Keynote session – Taxation and royalties – How the landscape is changing**
- The role of fiscal and socio-political considerations in investment decisions – why mining companies should take the lead in negotiations.
 - Tax levels and transparency – how harmful are super-profit taxes and new legislation going to be to the development of new mines?
 - Exploring tax systems that encourage exploration, production and proper environmental standards – why are Junior's suffering at the hands of taxation changes?
 - Ensuring that mining tax revenue are properly utilised – what happens to a miner's image when this does not happen?
 - Isn't a uniform taxation system across all industries better? Why should mining be treated differently?
 - How can you successfully compare the impact of fiscal uncertainty with other types of risk that you might encounter?
 - Public sector perspective
 - With new/planned legislation and related uncertainty in Indonesia and South Africa, amongst others, is resource nationalism the new norm?
 - Exploring the rationale and implications of different types of resource nationalism from developing downstream economic activities to profit share and participation
- 10:45 **Refreshment Break**
- 11:15 **Session 1: Mine development risks – is the boom over and are high mining costs now structural?**
- Will a structural shifts in costs happen and how badly will this hit margins?
 - Understanding the outlook for capital and operational cost inflation – are the true costs of future mine costs accurately factored into commodity price?
 - Exploring the impact of a rapidly heating labour market on investment decisions.
 - Is the available labour pool of skilled mine professional still decreasing?
 - Scheduling risk: What goes wrong in underground mining, what are the implications on costs and how is this type of risk comparable to other non-technical business risks?
 - Are high costs at risk of becoming structural elements of price that won't be easy to reverse?
 - Political risk: Do mining companies gain or lose when they explore and develop in politically risky areas?
 - If commodity prices decline will the blow be cushioned by exchange rate developments?
- 13:00 **Lunch**
- Tables at lunch will be organised around specific topics in order to facilitate networking amongst delegates facing similar issues. Currently topics to be discussed will include taxation and social licences, further topics will be chosen based on suggestions from delegates.
- 14:30 **Session 2: Two worlds in mining and what it means for you**
- Exploring Chinese companies approach to political, social and other business risks.
 - Are Chinese miners more willing to assimilate risk?
 - How miners can deal with the asymmetrical response of anti-mining NGOs to developed world versus developing world miners?
 - What does all this mean for the reputation of the mining industry?
 - How can Western companies meet these challenges?
- 16:00 **Refreshment Break**
- 16:30 **Session 3: Round tables**
- In this session delegates will chose tables to sit on based on their specific interests. Tables will include the following discussions; each table will be run by an expert moderator in that specific field.
- Table 1: Corruption – the rise and rise of the shadow economy**
- The impact of recent Canadian, US and UK anti-corruption legislation
 - Are you personally legally at risk?
 - How does corruption increase the costs of doing business?
 - How disadvantaged are regulated and respectable companies by the rise of the shadow economy?
 - Which countries are getting worse?
 - How do security and corruption risks affect costs?
 - Tax Fraud
- Table 2: Implementing sustainable reporting systems**
- Operational performance
 - Tailings management
 - Energy and greenhouse gas emissions management
 - Aboriginal and community dialogue
 - Crisis management planning
 - Health and Safety
 - Biodiversity conservation
- Table 3: Topic to be announced**
- 17:30 **Close of day 1**

Day 2, 2nd November 2012

- 09:00 **Session 4: Focus on Latin America – winning and maintaining social and environmental licence**
- How concerned should you be about the governments and popular movements on this rise in South America?
 - What are the potential impacts from cross-border risk even for those operating in safe countries?
 - Exploring the rise of social resistance to mining in Chile
 - Managing stakeholder expectations within the context of Latin America – real life examples.
 - Dealing with NGO and social issues in Peru
- 10:45 **Refreshment Break**
- 11:15 **Session 5: Risk assessment in strategic decision making**
- Energy risk
 - Mergers, acquisition and capital allocation
 - Lessons learnt from oil and gas applied to mining
 - How well can different types of risk be quantifiably compared?
 - Which countries are going to become riskier investment options?
 - Is North America lagging Australia and Europe in measuring, monitoring and managing uncertainty?
 - Should risk taking be seen as an opportunity in the mining industry or are the risks too great?
 - Will the increase in punitive pain being felt by the mining industry lead to more nimble and progressive business models?
- 13:00 **Lunch**

Mining Business Risks Summit 2012

Please register me for the **Mining Business Risks Summit 2012** at the rate of:

- On or before September 23, 2012: CAD **\$1095.00**
- After September 23, 2012: CAD **\$1295.00**
- I am interested in sponsorship and/or exhibition opportunities
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Registration details: 25% discounts available on Group bookings (See Group Booking Discounts)

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