“We must act, to ensure that access to raw materials for enterprises will not be hampered. We need fair play on external markets, a good framework to foster sustainable raw materials supply from EU sources as well as improved resource efficiency and more use of recycling. It is our aim to make sure that Europe’s industry will be able to continue to play a leading role in new technologies and innovation.”

Commissioner Verheugen,
Press Conference Brussels, November 2008
Steering Committee for the period 2008-2010

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industries. The super-cycle characterised by high commodity prices and rising demand which had been exceptionally long, continued for the first half of 2008 – but then a rather abruptly to a halt with the banking crisis and the following world economic crisis. The crash on the stock exchange, the drop in commodity prices and shareholder values have led to postponement of investments, short work, and cancellation of contractual work in Europe. Some European mines have gone in care and maintenance, some of the world’s largest mining companies have announced mass redundancies, shelving or cancelling of projects. The exploration sector was hid particularly hard since exploration investment is based on high risk capital and this became unavailable over night. However, raw materials will always be needed and it is expected that demand will pick up, hopefully rather sooner than later. Hence the mining industry, which cannot easily move since it is bound to its geological deposits, is looking ahead – beyond the current crisis. It is in this spirit that in November 2008 the industry full-heartedly welcomed the Commission’s long expected Communication “The raw materials initiative – meeting our critical needs for growth and jobs in Europe“. Although of course not planned like this, in some ways the timing could not be better.

The Communication addresses the question of the EU’s raw materials needs and the regulatory and other improvements required to secure the future raw material supply. Based on the assessment made by DG Enterprise it proposes a number of measures to be discussed and implemented, ranging from improving access to resources in Europe to improving access from other parts of the world.

I believe that given the current situation taking stock and modernising our approach to mineral resources is the right move to ensure that the European mining industry will exit this crisis in a better and more modern shape, but it also will allow to address the level playing field in the international competition which took much damage in the past years due to a well motivated but rather one-sided approach to many environmental issues.

The mining sector is entering a time of opportunities. As companies take steps to improve their strategic focus and reinforce long-term operational gaps, they can ideally position themselves to benefit from the next boom cycle.

We believe that the European mining industry will weather the storm.

Corina Hebestreit
Euromines
I. A Raw Materials Strategy for Europe

I.1 Raw Material Initiative

In November 2008 the European Commission published its new Communication “The raw materials initiative — meeting our critical needs for growth and jobs in Europe”. Following its previous analysis of the competitiveness of the sector by DG Enterprise and the political and economic developments around the world at the beginning of 2008 the EU realized that it needed to address this very important issue at highest level in order ensure security of raw material supply for its economic growth.

The industry of course welcomed this initiative whole heartedly since in the past years a whole array of legislative measures and the lack of public awareness in Europe had made access to raw materials for the extractive industry as well as for the downstream industry more and more difficult and at the best of time consuming.

Raw materials are essential for the sustainable functioning of all societies, equally so for the EU. Securing reliable and undistorted access to raw materials is increasingly becoming an important factor for the EU's competitiveness and, crucial to the success of the Lisbon Partnership for growth and jobs. Hence three policy areas were identified:

1. Access to raw materials on world markets at undistorted conditions
2. Sustainable supply of raw materials from European sources
3. Increase of resource efficiency and promotion of recycling

As had been laid out in the Commission's report on the competitiveness of the sector the issues of access to these resources were manifold and varied from sub-sector to sub-sector. Although some, not all EU Member States were and are pursuing specific policies, there had so far been no integrated policy response at EU level to secure sufficient access to raw materials at competitive prices. The Commission therefore proposed in its Communication that the EU should agree on an integrated raw materials strategy. The whole Communication has three main chapters: 1. Analysis of supply and demand of non-energy raw materials; 2. The policy response: An integrated strategy and 3. The way forward.
The first chapter describes the supply situation in Europe with regard to the various raw materials ranging from self-sufficiency to high import dependence. Because of the fact that the EU faces fundamental changes on the global market this part is focusing also on availability and price development of raw minerals and new industrial strategies and risks of disfunctional global markets.

In the second chapter a new EU integrated raw materials strategy is proposed that should include ensuring access to raw materials from international markets under the same conditions as for other worldwide industrial competitors. It recommends setting the right framework conditions within the EU in order to foster sustainable supply of raw materials from European sources; and last but not least boosting overall resource efficiency and promoting recycling to reduce the overall EU’s consumption of raw materials in order to decrease the relative import dependence.
The recommendations for an action package for ensuring the secure supply of sustainable resources for Europe.

Euromines members welcomed the new EU Raw Material Initiative since it was a long due policy response to developments in Europe and around the world.

Euromines through its Brussels office and through its members had been actively involved in the debate at EU and at national level. Many recommendations were made from which only a few key ones are presented here.

**First pillar**

Access to raw materials on world markets at undistorted conditions

**Key actions:**
- pursuing raw materials diplomacy;
- promoting enhanced international cooperation;
- access to primary and secondary raw materials should become a priority in EU trade and regulatory policy;
- EU policy development at three levels: strengthening states; promoting a sound investment climate; promoting sustainable management of raw materials.

**Second pillar**

Foster sustainable supply of raw materials from European sources

**Key actions:**
- having the right framework conditions for securing access to the land;
- improving the knowledge base of mineral deposits within the EU;
- better networking between the national geological surveys;
- promoting research projects;
- addressing the problem of skill shortage;
- raising awareness of the importance of domestic raw materials for the European economy;
- developing guidelines to reconcile Natura 2000 areas with extractive activities.

**Third pillar**

Reduce the EU’s consumption of raw materials

**Key actions:**
- promoting resource efficiency and recycling;
- substitution and increased use of renewable raw materials;
- ensuring that the treatment of waste takes place under fair and sustainable conditions in relations with third countries.
Some facts and figures about non-energy raw materials

- The EU itself still has considerable mineral resources.

- Access to land has become very difficult for the extraction industry in Europe.

- For many essential raw materials extraction is concentrated in a limited number of countries. China produces 95% of all rare earth concentrates (needed for hand-held consumer electronics, LCD’s, high performance magnets), Brazil 90% of all niobium (needed for steel alloys in gas pipelines, super alloys in high performance jet aircrafts) and South Africa produces 79% of all rhodium (needed for car catalysts).

- Important raw materials sources are increasingly located in parts of the world which lack political and economic stability. Over 50% of major reserves are located in countries with a per capita gross national income $10 per day or less.

- There are over 450 export restrictions on more than 400 different raw materials (e.g. metals).

- EU industries rely heavily on secondary raw materials. As examples, recycled aggregates may substitute 10-20% of primary aggregates, while the use of recycled scrap has increased significantly in recent decades and now represents 40% to 60% of input to EU metal production.

Source: COM(2008) 699 The raw materials initiative — meeting our critical needs for growth and jobs in Europe

For 2009 Euromines is looking forward to see the necessary structure put in place that will assist the implementation of the measures identified.
In particular, whilst not undermining the subsidiarity principle applicable in the EU with regard to resource and land planning policies, the international developments have clearly shown the need for a more coordinated approach at EU level.

The presented Communication is based on a SWAT analysis of the EU’s current extractive industry, but not on the raw material supply policies of the national member states which is still missing. An analysis of the national demand and supply and related policies on a short, medium and long-term basis is needed. The newly created term of “criticality” of raw materials needs to be defined and filled with assessments and policy recommendations.
A longer term strategy and a regular review mechanism will be necessary since investment in raw material extraction is economically very often viable only over longer time periods. A reinforced technical and economic analysis of the future needs in raw materials and a reinforced action to source as much as technically and economically feasible from European sources which would ensure a sustainable supply is required.
The currently existing EU structures dealing with these issues have been too weak and should be reinforced with higher-level decision makers.

In 2008 already the European Economic and Social Committee (EESC) had welcomed the Commission's report on the competitiveness of the sector. It had full-heartedly welcomed the Commission's work and stressed the relevance for economic growth at EU, national and regional level and stressed the importance of the matter for employment throughout the supply chain in Europe. The EESC is now developing its opinion on the Communication and will adopt this in April 2009. The Council of Ministers will also adopt its opinion on the Communication in May 2009.
Following the Commission’s Communication a proposal for two working groups was made to the Member States.

Two main areas of work should therefore be reflected in the working groups:

- Criticality of mineral raw materials: this would include the review of Member States’ practices for supply and demand policies, mineral intelligence, monitoring questions, measures for support of exploration and related RTD.

- Best practices on land use planning, permitting and geological knowledge sharing.
  This would include questions of resource endowment and regional and national economic development within Europe and outside of Europe.

Given its long history in mineral extraction Europe needs to provide leadership on issues such as how to handle extraction of raw materials, their sustainable use and the after-care of the land in a beneficial way for society.

I.2 Exploration for the future: PDAC 2008

Thanks to Adroit Resources Inc. and in particular thanks to Mr. Graeme Rowland in 2008 Euromines had the opportunity to participate PDAC 2008 – the largest mining conference hosting delegates from 108 countries and with the attendance of more than 20,000 people. Being an exhibitor in such a big event provided Euromines with an excellent opportunity to be displayed on the international mining scene and to exchange the experience from Europe with the ones from overseas. Several meetings were organized between Euromines and representations of other associations, for example the Mining Association of Canada, the Canadian Institute of Mining and Metallurgy, the Geological Survey of Norway to name but a few.
Fennoscandian luncheon – PDAC 2008

Several luncheons and evening events were organized during the four days of PDAC International Convention. For Europe the most important event was the Fennoscandian luncheon organized on Tuesday 4 March 2008.

At the moment Finland, Sweden and Norway are combining forces to assist companies looking to exploit mineral exploration and mining opportunities in Fennoscandia. During the luncheon, there was the opportunity to discuss with representatives of companies already operating in the region, and also to meet people from relevant authorities and organizations in each of the three countries.

There were two presentations opening this event. Mr. Magnus Ericsson, chairman and co-founder of Raw Materials Group, presented key figures about the Nordic mining cluster and Mr. Lauri Lajunen, Rector of University of Oulu expressed in his presentation a global need for geosciences.
I. 3 Addressing the question of demand and supply of minerals for EU

Following the publication of the Raw Materials Initiative one of the most important events for the EU extractive industry for the coming years will take place in Prague in April 2009. The conference “Mineral resources for Europe” will be organised under the auspices of Euromines, Těžební unie – the Czech Mining Association, and the Czech Ministry of Industry and Trade, with a high level participation from downstream-industries as well as European and worldwide mineral suppliers.

The aim of the conference is to address the question of demand and supply of minerals for the European Union with the intention of providing additional input about the "strategic" needs for short, medium and long-term mineral resources for Europe’s industry and economy.

The conference will take place in Prague on the 28th – 29th of April 2009.
II. Contributing to a sustainable world of tomorrow

II.1 Improving operating conditions for the supply of minerals in the EU

Compatibility with Natura 2000

The EU minerals industry, which requires temporary access, competes with other sectors for access to land: urban or agricultural land extension, creation of Natura 2000 areas etc. The land occupied by mining is very small in comparison with other developments (less than 0.1% of the EU surface area compared to 18% covered by Natura 2000).

Euromines accepts the concept of “no-go areas” and supports the commitment of the International Council on Mining and Metals to not explore or mine in World Heritage Properties. Unfortunately, the Natura 2000 legislation has led in practice to retroactive designation of additional “no-go areas”, which in some cases has turned longer-term profitable ore-bodies into short-term ore-bodies. Due to a lack of adequate management, some of these Natura 2000 areas may not be making any contribution to long-term species conservation. The adoption, at the end of 2008, of the European Commission’s latest Communication on Halting the Loss of Biodiversity by 2010 confirms that as little as 20% of Natura 2000 sites have so far achieved a favourable conservation status. Euromines believes that active management of areas for multiple uses can be a more efficient solution. For example, managing a Natura 2000 site for simultaneous delivery of raw-materials and restoration of favourable conservation status will in some cases result in a smaller environmental “footprint” than a decision to extract raw-material and biodiversity value from separate units of land. In this context, Euromines agrees in principle with the objectives of the European Spatial Developments Perspective and with a wider landscape approach that simultaneously supports biodiversity and economic goals.

With the intention of working with governments, conservation NGOs and others to develop transparent, inclusive, scientifically sound and equitable decision-making processes that better integrate biodiversity conservation and mining into land-use planning and management strategies, during 2008 Euromines
members renewed their existing commitment to;

- implementing an effective dialogue with stakeholders,
- communicating openly and honestly about the potential impacts of mining,
- seeking continual improvement of environmental performance on the basis of technical and economic feasibility,
- reporting progress according to the Global Reporting Initiative™ and its Mining and Metals Sector Supplement, and
- collecting and disseminating case-studies of positive contributions to biodiversity in mining.

A new reference library on biodiversity has been established in the Members’ section of the Euromines extranet, so that members may keep abreast of the multitude of documents generated by the rapidly moving European debate on biodiversity. Euromines’ Resource-Access Committee has engaged in this debate, bringing to bear the wealth of knowledge and experience that the mining industry has in the field. In recent years it has been active in promoting the ICMM Good Practice Guidance for Mining and Biodiversity and in 2008 the committee drafted around fifteen case-studies that have been presented at a number of fora both internationally and within the EU.

In future, we expect growing anthropological pressure from other human endeavours will impact on local biodiversity resources, which will create a greater need for balanced and long-term planning & management of European landscapes. Regional policies and spatial planning initiatives have the potential to integrate mining activities and special conservation measures. Partnership is important because mining companies can help local stakeholders with their choice of measures to conserve and enhance biodiversity. Sharing of knowledge and information on a broader range of issues helps to build local capacity for effective conservation (e.g., training in relevant data-collection).

Euromines members therefore support the ICMM, its Dialogue with the World Conservation Union (IUCN) and the European Network of Mining Regions. However, such partnerships should lead to more benefits to society than simply agreeing “no-go areas”. In the last couple of years, DG Environment has called for partnerships, or so-called “binding voluntary agreements” between the EU Institutions, the Member State authorities and extractive enterprises, but the real potential for voluntary cooperation is broader - incorporating other sectors and NGOs in local communities. Following the disappointing discussions surrounding the European Commission’s Business & Biodiversity (B@B) Initiative during 2007, DG Environment launched a formal stakeholder consultation at the beginning of 2008 through an ad-hoc working group including experts from the Commission, Member States and industry to develop
Guidance on non-energy extractive industries and Natura 2000. Euromines initially suggested that a “scoping paper” was needed, before Guidance could be developed. The wisdom of this advice appears to have been borne out by the progress made so far, which has resulted in an agreed table of contents, some repetition of previous Commission Guidance and a list of issues on which industry and Member States do not agree (priorities for land-use planning, differences between extractive sectors, the role of Strategic Environmental Assessment and Environmental Impact Assessment, the role of rehabilitation and offsets in mitigating impacts, Member State obligations versus private developer obligations).

Globally a variety of land use planning approaches is currently taken. Planning decisions are not always based on a systematic process and decisions about land use alternatives tend not to involve comprehensive consideration of the costs and benefits. Euromines is therefore supporting a project of the International Council on Mining & Metals to develop guidance on mineral information requirements for land use planning. The project aims to set out findings for more systematic consideration of mineral resources in land use planning. It does not advocate that priority be given to mineral resources, but promotes equitable consideration of all relevant land use interests. It is hoped that this work might also inspire more integrated approaches, and provide support for better consideration of mineral resources when managing the Natura 2000 network.

II.2 Materials Stewardship in Mining

Materials stewardship is the responsible provision of materials and supervision of material flows towards the creation of maximum societal value and minimum impact on man and the environment. It is about understanding the nature of the material; developing relationships with those who can assist in minimising risks; and taking the necessary actions to ensure that risks are adequately controlled.

Stewardship of Mercury

Regulation (EC) No 1102/2008 on the Phase-Out and Storage of Mercury was adopted during 2008. As of that date, “mercury gained” from the non-ferrous metals sector shall be stored according to rules that will be developed with the European Commission during 2009. The United Nations Environment Programme is also developing a strategy to eliminate atmospheric releases of mercury from non-ferrous metal mining globally. During 2008, the Environment Committee followed developments and began to prepare its constructive contribution to the various information exchanges that will take place with the European Commission, Member States and the United Nations during 2009.

Stewardship of Ores & Concentrates

Management of the chemical hazards and risks posed by ores and concentrates is an important part of a company’s social licence to operate. Euromines members agreed at their General Assembly in April 2007 to undertake an internal review of current practices to re-confirm that risks associated with transport and storage of ores & ore concentrates containing hazardous metal compounds are adequately controlled. This work formally began during the first half of 2008, with an agreement to co-operate with the International Council on Mining & Metals and the downstream users represented through Eurométaux members to gather data and to prepare a joint guidance document on safe handling of ores and concentrates. A Member Workshop was held on 25/26 September in Brussels to feed into this work,
which has led naturally to an agreed line of thinking on how each of the materials should be Classified & Labelled before the EU deadline of 30 November 2010.

**Global Harmonized System of Classification & Labelling (GHS)**

Euromines and ICMM agreed to host a second Member Workshop specifically on Classification of Ores & Concentrates in London on 1 May 2009, to facilitate consensus on how best to attribute protective classifications to ores & concentrates. In preparation for this, Euromines and ICMM have co-operated throughout the second half of 2008 to prepare generic Substance Identity Cards for some of the main ores and concentrates, detailing all possible classifications based on current concentration thresholds.

Additionally a full study of the consequences of Classification of ores & concentrates based on existing legislation and a description of the different testing options that might be used to refine particular classifications has been prepared. The 1 May Workshop promises to provide a fully informed discussion of the way forward for Classification & Labelling of the industry’s ores & concentrates – not just in the EU, but globally.

**II.3 Environmental legislation**

The main environmental legislative issues for 2008 were the EU’s Chemicals Policy REACH, the “Climate Change Package”, the Soil Framework Directive, the review of the IPPC Directive and finalisation of the new Waste Framework Directive. Apart from monitoring these, the Environment Committee continued with its commitment to supporting the technical implementation of recently adopted legislation that has the potential to influence the opening and/or expansion of mines within the EU.
**Registration, Evaluation, Authorisation (and Restriction) of Chemicals (REACH)**

The work of the Environment Committee in 2008 was dominated by REACH. Euromines, with the support of the REACH Alliance, was successful in securing a proposal from the European Commission to exempt magnesia from the obligation to Register under REACH during its review of Annex V. Significant secretariat resources were devoted to supporting the various interests of the mining industry during that review – including maintenance of the general exemption for minerals, ores & ore concentrates that have not yet been chemically modified.

The Pre-Registration of substances by 1 December 2008 lead for some substances to overwhelming figures in the hundreds and thousands. At the end the Secretariat of Euromines will be hosting a series of REACH consortia and potentially SIEFs in order to serve its members for substances such as magnesium hydroxide, graphite, acid treated and sulphuric acid treated graphite, carbon, calcined anthracite, and calcium carbide.

Additionally, Euromines gathered a refined set of data concerning substances and preparations that are used on the mine-sites. Final analysis by the Environment Committee did not identify any particular supply concerns as a result of the enforcement of REACH in the EU with the exception of cyanide and coal tar pitch (HT) for which there are concerns about the eventual authorisation procedures.

**Mine Waste Directive**

As of June 2008, a new desk officer within DG Environment has taken the Technical Adaptation Committee (consisting of national experts from the Member States) by the reins, with the result that five Commission Decisions have now been adopted by a qualified majority of Member States. The Environment Committee of Euromines has provided strong support to the TAC over the past 2.5 years and the resulting Decisions, although overly conservative at times, incorporate the most important elements of its advice. The TC292 WG8 of the Centre for European Norms (CEN) has recently signed long-overdue contracts to prepare more detailed sampling & testing methods for the characterisation of extractive wastes. The main focus of the work is a general method for the prediction of acid rock drainage and a method for monitoring cyanide emissions from gold processing plants. Euromines has been and will continue to be an active contributor to the CEN work over the coming three years.
Water Framework Directive

Water use, water quality, impacts on groundwater and access to water are issues that can all have ‘bottom-line’ impacts on mining operations. In recent years concern over water issues has increased worldwide driven by: severe drought conditions in some countries; concern over the provision of fresh water to a growing population; increased difficulty and decreased grades of ore bodies and overall increased uptake of sustainable development principles in the sector.


22 December 2008 was the date by which Member States had to have established groundwater threshold values (quality standards) under the Water Framework Directive. In parallel, Euromines was an active contributor to the finalisation of European Commission Guidance, which provides recommendations on how to establish the groundwater threshold values. Due to the constant involvement of Member States, their procedures for setting the first set of threshold values should only have deviated from the recommendations of the Guidance to a small degree. Importantly for the future, Euromines succeeded in convincing the Commission to recommend that threshold values for naturally occurring substances, such as metals, be set at the local scale.

Meanwhile, few studies, if any, have summarised water related issues in the mining industry at an international level. The breadth of the issues, as well as the level of attention they receive, is such that Euromines, together with the ICMM, is now considering in some detail how best to support the industry in this area. Our aim is to catalogue and describe the main water issues impacting the minerals industry and to plan an appropriate programme of work at the ICMM to make progress in the highest priority areas.

II.4 The EU Emission Trading Scheme
on the way to an international agreement

On 23 January 2008, the European Commission proposed to revise the EU Emissions Trading Scheme (ETS) for the period 2013-2020, setting out the EU’s main instrument to meet its objective of reducing greenhouse gas emissions by 20% by 2020 compared to 1990 levels.

Fears that a tightened ETS would inflate the costs of the industry to such an extent that they would be forced to move their factories and jobs beyond the EU’s borders, leading to a ‘leakage’ of CO2 emissions without any environmental benefits – dominated the discussions of Euromines members for which this legislation could be a critical issue for their survival.

Together with certain subgroups of the Euromines membership data were collected and meetings held with the European Commission (EC) – DG ENTR and DG ECFIN.

Energy intensity and the phenomenon of «Carbon Leakage» were documented. The Magnesia group had two special studies conducted concerning their main products and the industry’s concern with the new proposal of an ETS scheme after 2013.
Towards the end of 2008 the Council agreed on a new text of the directive which stipulated that energy intensive sectors with high risk of carbon leakage would have to satisfy the following criteria for being granted free allowances:

- Trade intensity*> 30%
- CO₂-costs** > 30% of gross value added (GVA)
- Trade intensity* > 10% and CO₂ costs** > 5% of gross value added (GVA)

* Trade intensity = (Import + Export) / (Domestic Production + Import)
** CO₂-costs = indirect + direct costs

Under the agreement, sectors exposed to a significant risk of carbon leakage will be granted 100% of their CO₂ emission credits free of charge. But only the cleanest factories will be eligible, as the free permits will be distributed "at the level of the benchmark of the best technology available". As a consequence, industrial installations which do not meet the benchmark will still have to pay for their emission rights, penalising the most polluting factories. However, although the EC will not identify the precise sectors concerned until June 2010 (pending the outcome of UN climate talks in Copenhagen), the race for the final list already began in 2008 and continues in 2009.

A Global climate deal could make exemptions no longer valid and needed?

However, from a Commission's and Member States' perspective the exemptions may not prove necessary if a global climate deal can be reached at the UN Climate Change Conference in Copenhagen in December 2009. The EU believes that if it can reach an international agreement free allowances would no longer be needed because then all industrial international competitors would have to apply the same measures.

From an industry point of view this is still very questionable since there is limited trust in the implementation in various parts of the world.

II.5 Health and Safety legislation

The extractive industry is continuously striving to improve its health and safety performance. In 2008 several important issues are in the discussion within the European Institutions that were of interest or concern:
**Action Plan and Explosives Directive**

Following the terrorists’ attack in the past years the EU had decided to make access to explosives more difficult and to permit to trace the origin of used explosives in a much more consistent way. Hence the Commission decided to develop an Action plan based on prevention, detection and response measures on explosives, detonators and precursors throughout the supply chain and detection. This set of horizontal measures are concerning public security and also establish a European Bomb Data System to collate information on incidents involving explosive devices to be made available to relevant EU and national authorities.

An important part within the Explosives Directive is the **Directive for Improved Traceability of Explosives**, which should prevent theft of explosives and to ensure that any thefts or losses are quickly detected, it requires unique labelling of explosives in the EU.

With the revision of the Directive on Explosives a European-wide labelling of the detonators is suggested. With the application of a unique coding the traceability of detonators and explosives would be greatly improved.

It should require traders and users to tighten the record-keeping and stock management, which makes it easier to trace the origin of lost or stolen explosives. Euromines took part in the discussions on the revision of the directive and raised the issue of costs involved with the labelling and management of the explosives. One key issue was up to which point on site the explosives would have to be monitored and what kind of labelling would be applied by the various explosives manufacturers. The matter was discussed with FEEM, the Federation of European Explosives Manufacturers, in order to encourage to the suppliers to use only one system of labelling throughout the EU in order to reduce investment and management costs for control systems.

**Status report on OEL discussions**

It was expected that the proposal of a third list of occupational exposure limit values for a range of substances, including an OEL for mercury would be adopted in the 4th Quarter 2008. It would amend Directive 98/24/EC on the protection of workers from chemical agents at work. This will be done by the EU institutions in 2009.
**Carcinogens Directive**

In 2008 the revision of the Directive 2004/37/EC on occupational exposure to carcinogens and mutagens was under discussion. It would include substances toxic for reproduction in its scope and would introduce and revise some binding occupational exposure limit values (BOELVs). It establishes requirements for training and information to raise awareness among workers.

The major concern here was that through the renewed debate of respirable crystalline silica based on a newly commissioned study the work of NEPSI, the first European Social Dialogue Agreement of implementing best practices across 16 different sectors would have been bypassed and rendered a waste of time and effort. The industry therefore hopes that the legislator will not jeopardise by its decisions the efforts made so far and well under way for a European wide voluntary implementation.

**First report on the implementation of the Agreement on respirable crystalline silica (NEPSI)**

Following the conclusion of the NEPSI agreement in 2007 all concerned industrial sectors that had signed up for the agreement reported for the first time on the first steps of implementation. Those Euromines members that were concerned with the issue actively reported on the communication and awareness raising within their companies, the nomination of responsible people and training carried out. Although much had been achieved in the first year, many more actions needed to be taken across the 16 signed up sectors.

However, for being the first European trans-sectoral Social Dialogue Agreement, the progress made was very encouraging.

**Sectoral Social Dialogue «Extractive industry»**

In 2007 the members of the SSDCEI (Sectoral Social Dialogue Committee for the Extractive Industry) after their analysis of some national accidents statistics had expressed their concern about still too high accident rates. It was unanimously decided to select safety issues and accidents in particular as a priority topic for the SSDCEI 2008 discussions, with a view notably to:

1. Identify trends in accident causes, existing guidance, good practices and procedures by collecting existing information, e.g. relevant industry experience;
2. Share and discuss findings, identify gaps;
3. Disseminate findings and define follow-up, e.g.: Fill gaps in guidance, good practices and procedures, draft training tools, etc. A specific working group was set up in order to launch and coordinate a project on: “Recognising trends in accidents, causes and promoting relevant guidelines and best practices.”

The SSDCEI decided that the project would be aimed at identifying trends in accidents, causes and disseminating related guidance, mainly addressing two groups of workers, identified as most vulnerable:

- Young workers and Subcontractors.

In June 2008 the Members of the SSDCEI agreed to submit a proposal for Commission funding which was approved. Experts from all sub-sectors and various countries were then nominated to assist the selected consultants to carry out the work which will be finalized in 2009/2010.
III. And for the future…

III.1 Reinforcing cooperation with the European Commission: supporting implementation of EU legislation inside and outside of the EU

In 2008 Euromines further reinforced its cooperation with EU Commission organizing conferences focused on implementation of the EU legislation. The aim of TAIEX (Technical Assistance and Information Exchange Instrument of the Institution Building unit of Directorate-General Enlargement of the European Commission) workshops and seminars is to provide to the new Member States, acceding countries, candidate countries, and the administrations of the Western Balkans, short-term technical assistance, in line with the overall policy objectives of the European Commission, and in the field of approximation, application and enforcement of EU legislation.

Focusing on energy issues & emission trading

The first seminar in 2008 took place 11 and 12 March in the capital of the Slovak Republic – Bratislava with the aim of this workshop was to provide information about the new EU Energy Policy with relevance for the extractive industry as energy mineral supplier and as energy user industry. In total more than 120 participants, representatives of the European Commission, the European industry association, and national ministries as well as representatives of the industry participated this multi-country seminar on EU energy policy and emission trading with relevance for the extractive industry as energy mineral supplier and as energy user industry.

As the importance of climate change and CO₂ reduction issues is constantly increasing worldwide a part of the seminar was concentrating on option of energy generation in the various EU countries, ranging from hard coal to lignite to nuclear power and on securing energy supply in Europe and on limitations for the exploration for energy minerals in today’s Europe.

The outcome of the participants’ discussion was a statement that there is a need to develop new resources in Europe and also to extend the existing ones. Therefore the EU Member States with the support of the European Commission need to foster exploration for new resources, foster investment into new and the extension of viable mines, encourage exploitation of more resources, improve the legislative framework for the extractive industry and support the sectors RTD through national and EU programmes.

The main theme of the second day was the impact of new EU energy policy on the metal and mineral processing industry as an energy consumer. The European Union Emission Trading Scheme (EU ETS) is
the largest multi-national, greenhouse gas emissions trading scheme in the world and is a main pillar of EU climate policy. The seminar provided most up-to-date information on EU ETS and also tried to foresee the future impact on the industry. Most probably in the following years the costs for ETS will have a major impact on the competitiveness of the extractive industry, in particular those sub-sectors that are high energy users or have intrinsic CO₂ process emissions.

We would like to thank the European Commission, the Slovenská báňská komora (Slovak Mining Chamber), and Těžební unie (Czech Mining Association), for supporting this outstanding event on EU energy policy and emission trading with relevance for the extractive industry as energy mineral supplier and as energy user industry.

**Focussing on H&S in the extractive industry**

This time focusing on the role of EU directives and standards in protection of occupational health and safety in the extractive industry another TAIEX seminar was organized at the beginning of October in Sofia, Bulgaria. The European Commission was closely cooperating with Euromines and BMC (Bulgarian Mining Chamber) for this event.

The EU strategy on health and safety had identified the extractive industry as a sector with a relatively high accident rate. Eastern European statistics seemed to indicate high potential for improvement. Therefore this seminar was addressing the EU regulatory framework and best practices in H&S management and voluntary Social Dialogue agreements as key elements of better implementation of H&S measures.

**Focussing on Environmental legislation and exploration**

In November 2008 a third TAIEX seminar took place in Belgrade, Serbia. More than 80 participants from Serbian ministries, state authorities and private companies took part in this event.

At present Serbia – a potential candidate country of the European Union – is reviewing its mining and environmental legislation. The aim of this meeting was to provide information about the new EU environmental legislation in particular information about Natura 2000, EU Water legislation and information on the implementation issues for the Mine Waste Directive in as much as they impact access to resources. Best practice and experience from EU Member States related to the environmental legislation and technical innovations were discussed as well.

For new potential candidate country this meeting provided legislative and technical expertise and discussions of questions around implementation.

**III.2 The European Technology Platform on Sustainable Mineral Resources**

In order to meet tomorrow’s sustainable security of supply challenges for mineral resources industry, technology providers and research institutes and academia had created in 2006 the European Technology Platform on Sustainable Mineral Resources (ETP SMR). In 2008 this Technology Platform was officially recognised by the European Commission.

Its Strategic Research Agenda was revised and FP 7 calls for projects were answered by several consortia with a good success rate. 2009 will see the signing of research funding contracts for several million Euros.

Research is one of the key elements for further progress in sustainability and competitiveness for the sector and therefore deserves, despite all economic difficulties which arose in the second half of 2008 and continued in the first quarter of 2009, the sector’s utmost attention.

Many companies carry out in-house research and nationally funded research with the aim of improving their resources efficiency and the performance of mineral products. This will continue in 2009 and onwards and will certainly contribute to a better resource management. The ETP SMR will contribute to the implementation of the EU’s Raw Materials Initiative by contributing to capacity building and in particular the third pillar by addressing new exploration technologies and the EU’s resource potential, by improving efficiency and resource use, by saving energy and water, reducing wastes and increasing recycling.
III.3 Promoting post-mining regeneration: «101 Things to Do with a Hole in the Ground»

In 2008 Euromines was closely cooperating with Post-Mining Alliance on a very specific project – first of its kind in the history of the mining industry – Book «101 Things to Do with a Hole in the Ground».

This project draws on the variety of creative initiatives that have transformed former mine sites into viable, culturally-relevant spaces and landscapes and has reinvented the narrative of the local communities. This book sets out to celebrate the incredible range of activities that transform old mines into new futures – heritage and tourism attractions, wildlife habitats, educational, sport and leisure facilities and dozens of industrial uses.

Always educational but never dull, «101 Things to Do with a Hole in the Ground» will present a series of the best and most creative examples of real post-mining regeneration projects around the world. These are the projects that have excelled and transformed not just landscapes but former mining communities, leaving a positive legacy for future generations. A short introduction will set these projects in the context of the mining life-cycle, emphasising the importance of the metals and minerals in everyday life and the need for careful planning for mine closure and post-closure from the outset of mine activity.

The book will be available for the Prague Conference «Mineral Resources for Europe» in April 2009 and we would like to thank all our members and partners who helped us in collecting the best European examples.
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