

Our program is a collaboration that improves communication with host communities and lowers the company's risk of losing its social license to operate. This methodology helps local communities to take ownership of the community development projects and as a result become less dependent on the financial resources of mining companies. This proven program engages local communities in creating a "parallel economy" independent of the mine site, mitigating social and economic impact.

Ensuring sustainable development and relations with local communities can be tricky at times, especially when they are forced to confront residents that oppose mining activity. To fight opposition mining companies are striving to create new practices for community engagement that emphasize both respect for local community and engagement in the creation of long term prosperity for all. At the mine level, community engagement includes all interactions between the mining company and local community members affected.

SEF CANADA provides a model for successful community engagement. We believe that community development that supports local entrepreneurs is the answer. We have been delivering economic development for over 30 years in communities worldwide.

Mining companies using Entrepreneurial Development can contribute to a self reliant economy and provide essential business skills to those who wish to fulfill their dreams as entrepreneurs. This in turn levels the playing field between the mining company and the community with the company valued as a helper. In time, mutual trust and respect are created, paramount to healthy community relations.

"The creation of a parallel economy to the mine and the creation of large numbers of jobs outside of the mine, as well as inside the mine, will change the attitude of communities towards mining companies"

What is Entrepreneurial Development?

The Entrepreneurial Development Program, or ED, is a **community based economic development tool**. The power of ED comes from a community's willingness to support the dreams and aspirations of its citizens. **The project is undertaken by the community, which invests social capital into the program while the mining company sponsors the initiative**. This new way of thinking is an approach to local economic and community development that focuses on the creation of a "parallel economy" in communities impacted by the extractive industry.

This approach, used in community development since 1985 around the globe from Australia to New Zealand, Mongolia to Europe and Africa as well as throughout the Americas, has come to the attention of mining companies for its ability to engender not only sustainable development in communities but also a local "can do" attitude that promotes community pride and long-lasting gratitude for the providers of the Entrepreneurial Development Project. In our view, **building the capacity of the community** to help itself is the precondition for sustainable development. A community that learns how to help its own **people to transform their ideas into viable**

enterprises is also a community that can benefit from better infrastructure because, in the long term, it will have the resources to utilize and maintain them.

Often mining operations bring to a community opportunity for **'spin off' businesses** to deliver a range of services to the mine. While such businesses can prove to be extremely profitable throughout the duration on the mine's life, once the mine closes, these businesses typically decline shortly after because the mine was the primary customer. Facilitators can help those **businesses expand their customer base** beyond just the mine, so that even after mine closure, the local economy can continue to thrive. Facilitators can help **turn 'spin off' businesses into self-sufficient, sustainable enterprises** that can help sustain the local economy well into the future.

The Entrepreneurial Development Program makes it possible for local existing infrastructure and programs to be fully utilized and creates an environment appreciative of the value of local initiative and intelligence.

The Power of the Program lies in the community for its implementation and potential to provide an enabling environment for entrepreneurial development. We work through this process with community citizens and teach **entrepreneurs to think and act like a big business**; the tools of Universal Management Principles. Successful businesses result when outstanding individuals bring their unique skills together to deliver a beautiful product, superb marketing, rigorous financial controls and strong leadership, the four pillars of success. The Community Resource Team gives entrepreneurs access to an incredible network of external advisors. External advisors bring experience and advice. With a solid management team in place and external support and advice, the entrepreneur is better poised for success.

Some 300 communities have been introduced to this methodology. Based on experience, the Facilitator should **assist approximately 200 entrepreneurs per community per year** creating an average of **10 to 15 new businesses** resulting in **40 to 60 new jobs**. The skills acquired by the Facilitator and volunteers last in perpetuity. The survival rate among newly created businesses supported by the program should **sustainability rate above 80% after 5 years**.

New Gold's Peak Gold Mine, like other mining companies, is seeking to make their community investment initiatives more efficient and is committed to providing positive and lasting impacts in Cobar. Their project **since its inception in 2008** has helped to **create 43 new businesses, expand 11, and retain 1**. Together these businesses have **generated over \$2,571,300 in gross sales; created 130 jobs and generated \$801,650 in direct investments** into the community of 3818 located in New South Wales, Australia.