

## *Different Risks at Different Times*

The mining cycle has three distinct phases – Exploration and Development, Operation, and Closure and Reclamation. Each involves distinct activities with different vulnerabilities to, and likelihood of, sparking conflict. **Exploration** – which in later stages involves in-the-field sampling – is typically a high-risk endeavour involving the acquisition, preliminary assessment and then development of particular sites. As exploration often requires covering a fairly broad geographic area, and creation of access roads, it can create a broad range of impacts and disruptions, including an influx of new settlers<sup>34</sup>.

**Construction** of the infrastructure, power and water sources required for large-scale mining is the first major and visible consequence of the mining cycle. The number of construction workers brought in to a region exceed the long-term mining staff, and these short-term staff have comparatively less incentive to maintain good relations with the local communities than the mine operators. For example, the Panguna mine on Bougainville (PNG) caused a massive influx of construction workers, an estimated 10,000 workers at a time when the island's population was only 80,000 people<sup>35</sup>. Likewise, the land clearing, construction of access roads and diversion of rivers to feed hydroelectric dams can – in and of themselves – be sources of conflict with local communities.

**Closure** can create conflicts related to long-term waste storage as well as the economic impacts of the withdrawal of the mining operation<sup>36</sup>. In 1992, closure and remedial action for the Summitville gold mine in Colorado was left in the hands of the American government, when the mining company declared itself bankrupt. The US Geological Survey reported that the remediation of the Summitville site in the wake of the cyanide-intensive gold mining practiced there will cost the US government between US\$100-120 Million<sup>37</sup>.

## **MINING AND CONFLICT MANAGEMENT**

A manager faced with a conflicted, or potentially conflicted situation, may advise her company not to enter into the investment, or to divest from an existing investment (Go-No Go). She might advise the company to seek to avoid making things worse (Crisis Management), or she can argue that the company should seek to prevent or resolve the conflict (Proactive Conflict Management).

A fourth option would be to seek to give the impression of either mitigating or

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<sup>34</sup> Rosenfeld-Sweeting and Clark, *op.cit.*, pagep. 22 and 79-80.

<sup>35</sup> Ross, M. *Ibid.* p. 24.

<sup>36</sup> Rosenfeld-Sweeting and Clark, *op.cit.*, pagep. 60 and 79

<sup>37</sup> Unit for the Promotion of Democracy-Organization of American States, *ibid.* p. 11.