



by Debra McCown

# SME 2015: The Mine of the Future

**T**he world is changing, and the mining industry has to keep up. That's part of the message in the theme of this year's Society for Mining, Metallurgy & Exploration (SME) Annual Conference & Expo in Denver February 15-18.

"The Mine of the Future: Forecasting Opportunity and Challenges for the Global Mining Industry" is the theme of the four-day conference, with a keynote session to feature a panel of experts representing different aspects of the mining industry – including coal, metal, industrial minerals, aggregates, equipment suppliers and global consulting.

"Taken as a whole, the international mining industry is softening as the global economy expands at a more moderate pace and mine capacity may have outstripped demand in the short term," according to SME.

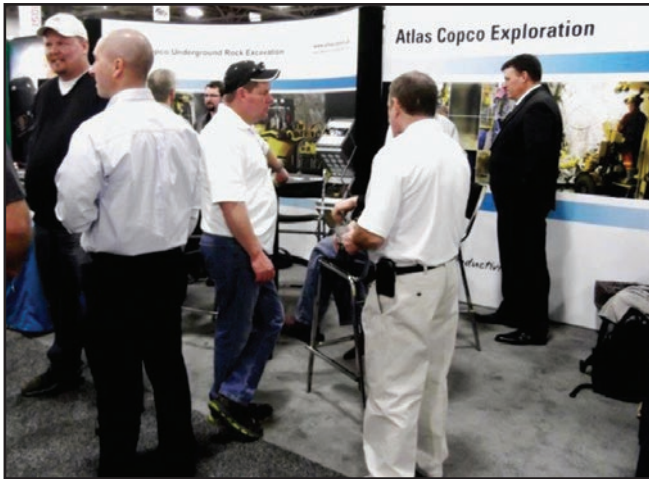


"However, in the individual mining sectors of coal, metal, industrial minerals and aggregates, opportunities await for smarter companies that are meeting their own domestic and international challenges by opening new markets, creating new products, cutting costs, and improving efficiencies. Our multi-industry sector panel will address the opportunities and challenges that lie ahead for each mining sector."

Peter Bryant (left), senior fellow at the Kellogg Innovation Network and co-chair of the Mining Company of the Future initiative, will moderate the keynote session. Bryant says the concept of "social license" to operate is an increasingly important issue for mining companies around the world.

"Social license" refers to acceptance of a company's presence and operations by impacted communities and stakeholders. It is based on good relationships between companies and communities, with stakeholders feeling that they've had input and that their concerns have been addressed, in addition to seeing local benefits from mining projects.

SME's magazine, *Mining Engineering*, reported in January that an estimated \$25 billion worth of projects around the world have been stopped "as the consequence



2014 SME Annual Conference

of a dispute or disagreement with their communities, the government or some other stakeholder.”

The article also quoted Anglo American CEO Mark Cutifani calling for mining companies to “change the dialogue,” building partnerships with critical observers and finding pathways to better connect with the societies in which London-based Anglo American is one of the world’s largest mining companies, with operations on six continents.

“Unless we change the dialogue,” Cutifani said in a December address in New York, “my concern is these types of disruptions (project delays) will become more prevalent.”

Coupled with geologic challenges that have pushed mining into more difficult terrain, Bryant said social and environmental expectations mean an increased need to innovate. “If you put all of this together, it creates an urgent need, I think, for the industry to change, and that

means that they increase the investment they currently have in innovation,” he said.

The issue is increasingly global, he said, ranging from environmental concerns to impacts on indigenous peoples to issues like a company recently faced in Australia, where even a community that has long derived its economy from its local coal mine blocked expansion because the people who lived there did not want to see an open pit from their homes.

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"The industry has not been able to keep up with the pace of change in society's expectations in the last few decades," Bryant said. "From a financial perspective and from an environmental and social perspective, there needs to be a transformation in the approach to mining."

What the Mining Company of the Future initiative is advocating, Bryant said, is for companies to engage with stakeholders in a different way – not just as job providers but as true development partners with a sustainable message.

"I think the industry is at a pivotal point in its history on this topic," he said. "I think that if the industry doesn't change, doesn't reverse itself on some of the issues...the top 10 mining companies will be very different companies in the next decade."

Though a real tension exists between the economic benefits and mining, and its environmental and social impacts, Bryant said there's definitely progress being made. For example, he said, meetings with faith-based leaders from around the world – which included

mine tours in Africa – have shown how much room there is for meaningful conversations to be held and new bridges of communication to be built.

"They're not actually anti-mining," he explained. "They recognize that mining is a necessary human activity, but they don't like the way it is done in many respects and the way that people whose voices aren't heard are treated in the process."

Among the innovations needed, is how mining companies engage with communities to obtain their social license to operate, said Bryant.

This year's SME annual conference – a big mine industry gathering – is being jointly hosted this year by SME and the Colorado Mining Association in conjunction with CMA's 117th National Western Mining Conference & Exhibition. "The future for the mining industry is bright, and demand for mineral products will continue to grow worldwide," said SME 2014 President John Marsden. "But success requires more than dedication and resilience; it hinges on keeping up-to-date with the latest trends and technologies. This keynote session will kick off a dynamic conference that

showcases the latest opportunities, innovations and developments in our industry."

Speakers slated for participation in the keynote session at the SME conference include Red M. Conger, President Americas for Freeport McMoRan Inc.; Gwenne A. Henricks, Vice President Product Development & Global Technology and CTO for Caterpillar Inc.; Bryan Galli, Group Executive & Chief Marketing Officer for Peabody Energy; Dean Gehring, President & CEO of Rio Tinto Minerals; and Barry Hudson, Director of Aggregates Northern Europe for Heidelberg Cement.

The keynote session will kick off a technical program with more than 100 sessions presented by experts from around the world focused on coal, energy, aggregates, environmental issues, mining, geology, economics, underground construction, and processing. The event is February 15-18, at the Colorado Convention Center in Denver.

*For more information about this year's SME Annual Conference & Expo, including event schedules and a full listing and description of technical sessions and other conference events, visit [www.smeannualconference.com/](http://www.smeannualconference.com/).*

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