

Appendix 4.7-O

Polling Results

AJAX PROJECT

**Environmental Assessment Certificate Application / Environmental Impact Statement
for a Comprehensive Study**

KGHM

INTERNATIONAL

2015 Community Engagement Study

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Prepared by:



NRG Research Group

Liddie Sorensen-Lawrence, MBA

Senior Vice President

T: 604-676-5649

E: lsl@nrgresearchgroup.com

Lesley Duncan, PhD

Research Manager

T: 604-676-3994

E: lduncan@nrgresearchgroup.com

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Executive Summary

NRG Research Group conducted telephone interviews with 250 individuals for *KGHM Ajax International* between March 25th and March 31st, 2015. Five In-Depth Interviews were conducted in early April. The primary purpose of the project is to better understand how KGHM Ajax can best engage with and communicate the results of the Environmental Assessment Application to Kamloops residents.

The key findings of this research, including the results of the survey and insights from interviews, are highlighted below.

Key Findings

- Area residents are aware of the project and most (79%) are following it in the media or with additional sources.
- There is not a perception that there is much information missing. Drawing insights from the interviews, this may be due in part to the community not knowing what it doesn't know.
- Media advertisements (newspaper, television, and radio) and mail are the top ways residents would like to receive information about the project from KGHM. Community open houses and social media are also important ways to reach out to the community.
- Environmental, Health, and Economic Impacts are the areas of most interest for the information in the EA application. Residents want to be able to understand the magnitude of the potential risks the project could introduce, find out what can and will be done to mitigate these risks, and compare this to the economic benefits the proposed project could bring to the region.
- There is an appetite in the community to have the Environmental Assessment application available in its entirety (44% of residents would use it).
- The majority of residents would use '1 to 2 page FAQ sheets', 'information presented in the news' and '3 to 5 page summaries'. The changing media landscape in Kamloops appears to present a challenge to the distribution of information. Given that Kamloops has only weekly newspaper coverage and limited regional news media, having short summaries of the information contained in the report easily available to everyone in the community will help to ensure all area residents can be well informed.

- There is some skepticism about informational materials produced by KGHM Ajax as the proponent of the proposed Ajax project; however two-thirds of area residents would use materials presented by the company to learn about the content of the Environmental Assessment application. Releasing the entire document will allow all parties to confirm that information is accurately and fairly reported.
- Communications about the information in the EA application are perceived to be most useful if they use layman's terms to clearly identify a problem, the possible risks, the solutions that will be used to mitigate risks, and the actual impact that the community will feel. The use of comparisons to items, actions or feelings the reader can understand and process (e.g. vibrations within a certain distance from a blast site will feel like standing next to a dryer on high speed) will likely be more effective than those presented in scientific metrics. Making it easy to reference the source of this information in the original EA document will also increase the perceived neutrality of such documents.

Background and Survey Objectives

Background Information

In March 2015, NRG Research Group was retained by KGHM International to conduct a research project regarding communications and community engagement. The project included telephone interviews of Kamloops residents, as well as in-depth interviews with community stakeholders. The primary purpose of the project is to better understand how KGHM Ajax can best engage with and communicate the results of the Environmental Assessment Application to Kamloops residents.

Survey Objectives

The primary objectives of the survey were to:

- ✓ Assess how well informed residents feel they are;
- ✓ Understand how residents would prefer to receive communications about the project;
- ✓ Gauge relative importance of information contained in the EA Application;
- ✓ Assess preferences for various formats of communications regarding the EA application;
- ✓ Gauge use of various sources of information regarding the EA application; and
- ✓ Gauge the amount of time residents plan to spend reading the EA and related information.

Survey Methodology

Methodology

Telephone Surveys

NRG Research Group conducted telephone interviews for *KGHM International* between March 25th and March 31st, 2015. Interviews were conducted with 250 residents from the City of Kamloops. The average survey length was just under 8 minutes. The margin of error is $\pm 6.2\%$ at a 95% level of confidence. The questions that were included in the survey are available in Appendix 1.

Weighting Scheme

The survey was conducted among Kamloops residents who are aged 18 years or older using a random digital dial (RDD) sample source. Quotas were set to ensure that respondents represented the overall population base. To account for over-sampling of certain demographic groups, the results are weighted to reflect the population by age and gender according to the Census.

Census Population Distribution

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
14%	19%	16%	14%	20%	17%

Raw Survey Completes Distribution

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
8%	20%	20%	9%	23%	19%

Weights

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
1.758	0.95	0.80	1.56	0.87	0.89

Weighting by Postal Code

Additionally, results were weighted according to the proportion of the Kamloops population falling into each of 5 regional postal codes. The tables below detail the weighting by postal code region:

Census Population Distribution

V1S	V2B	V2C	V2E	V2H
11%	42%	27%	15%	6%

Raw Survey Completes Distribution

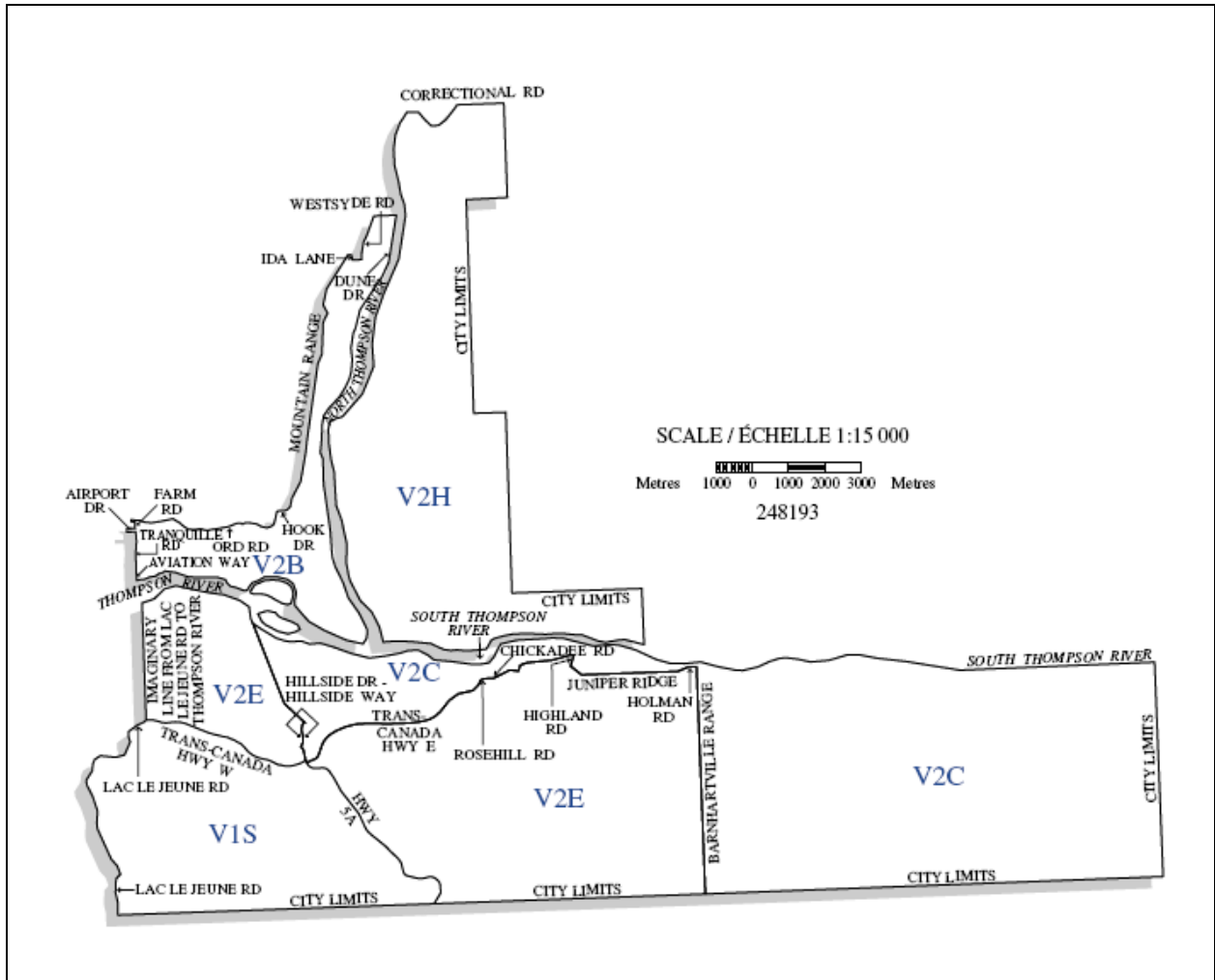
V1S	V2B	V2C	V2E	V2H
8%	41%	37%	10%	4%

Weights

V1S	V2B	V2C	V2E	V2H
1.38	1.01	0.73	1.50	1.50

The following Canada Post map was used to determine the areas which fall into each postal code, as summarized in the table below:

Region	Geographical Location	General areas of Kamloops within each postal code
V1S	South West	Aberdeen
V2B	North West	North Shore/Batchelor Heights/Westsyde/Brocklehurst/North Kamloops
V2C	Central and South East	Downtown/Southgate/West End/Barnhartvale/Campbell Creek/Dallas/South Kamloops
V2E	Central West and Central South	Sahali/Rosehill/Juniper Ridge/Knutsford/Valleyview
V2H	North East	Sun Rivers/Rayleigh



Source: Canada Post, 2001. Kamloops Urban FSA's.

In-Depth Interviews

To supplement and provide context for the responses to the telephone interviews, NRG conducted in-depth interviews with five community members (names and contact information provided by KGHM Ajax). These individuals were asked more nuanced questions about the way the company has communicated with the community, information they would like to have available, awareness of the EA application and recommendations for disseminating this information to the community, barriers to community engagement, recommendations to improve communication to and engagement with area residents.

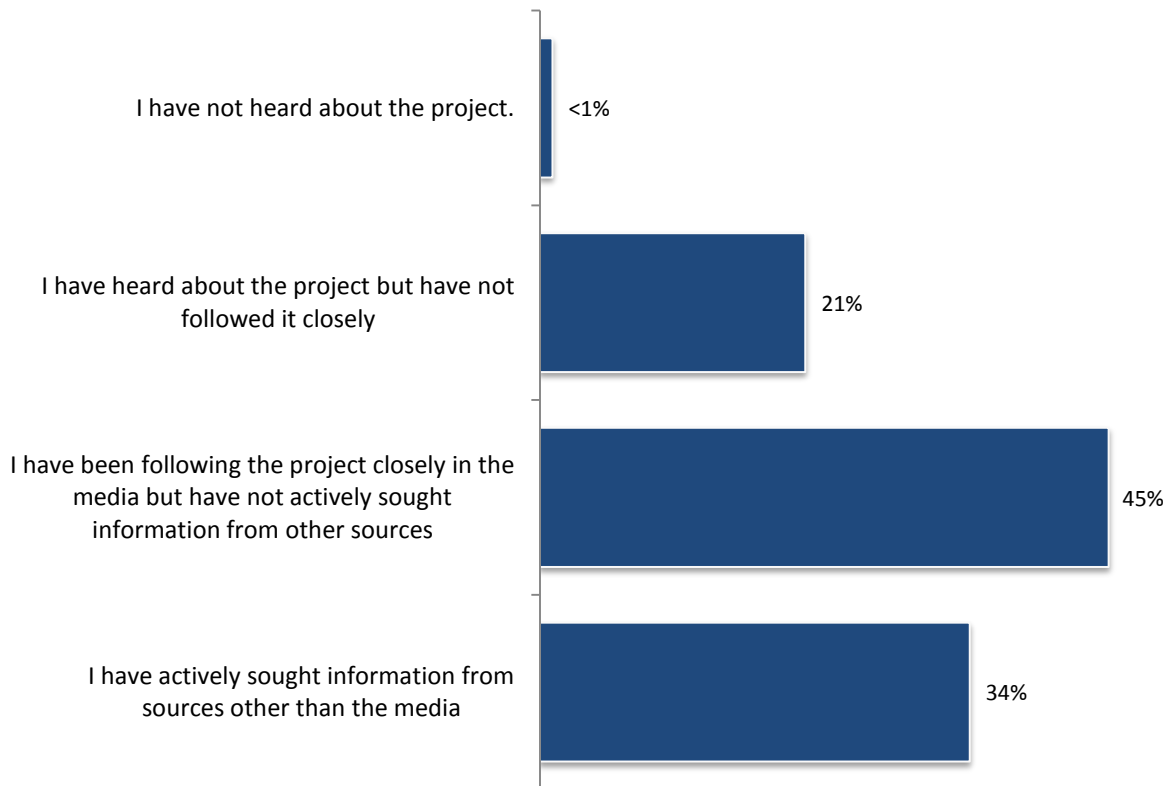
The interviews were between 15 and 30 minutes long, were conducted by telephone and took place between April 7th and April 14th, 2015.

Survey and In-Depth Interview Results

Perception of self-knowledge regarding the Ajax mine

- Close to half of area residents (45%) indicate they follow the project closely in the media, but have not actively sought information elsewhere. One third (34%) have gone beyond media to find out about the project.
- Males are more likely than females to be actively seeking information from sources other than the media (42% vs. 26%), while those 55 years of age and older are somewhat more likely than those under the age of 35 to be following the project in the media (54% vs. 38%).

Q1. Which of the following statements best describes how well informed you are about the Ajax project?



Base=All telephone respondents, n=250

In-Depth Interviews:

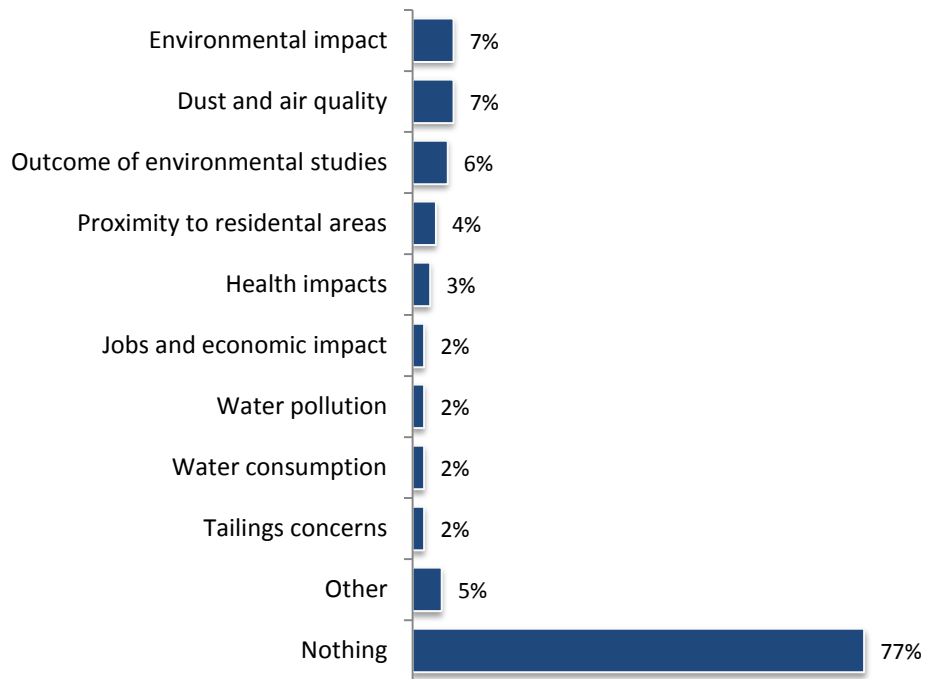
All of those interviewed for this project indicated they were aware of the project, most reasonably or very well informed. The majority had sought out information from sources other than the media. This was done by using the KGHM website, reading information sent to the

broadcast email list, contacting KGHM Ajax (some on a regular basis), communications with corporate partners, reading community blogs and attending community forums or events.

Missing information regarding Ajax mine project

- Three quarters (77%) of residents don't have a top of mind answer for information that is currently missing that they would like to have. Those that do indicate interest in learning more about environmental impact (7%), dust and air quality (7%) and the outcomes of environmental studies (6%).

**Q2. Is there any information about the Ajax Project you are missing and would like to have?
(Multiple Response)**



Base: Telephone respondents aware of Ajax project, n=249

In-Depth Interviews:

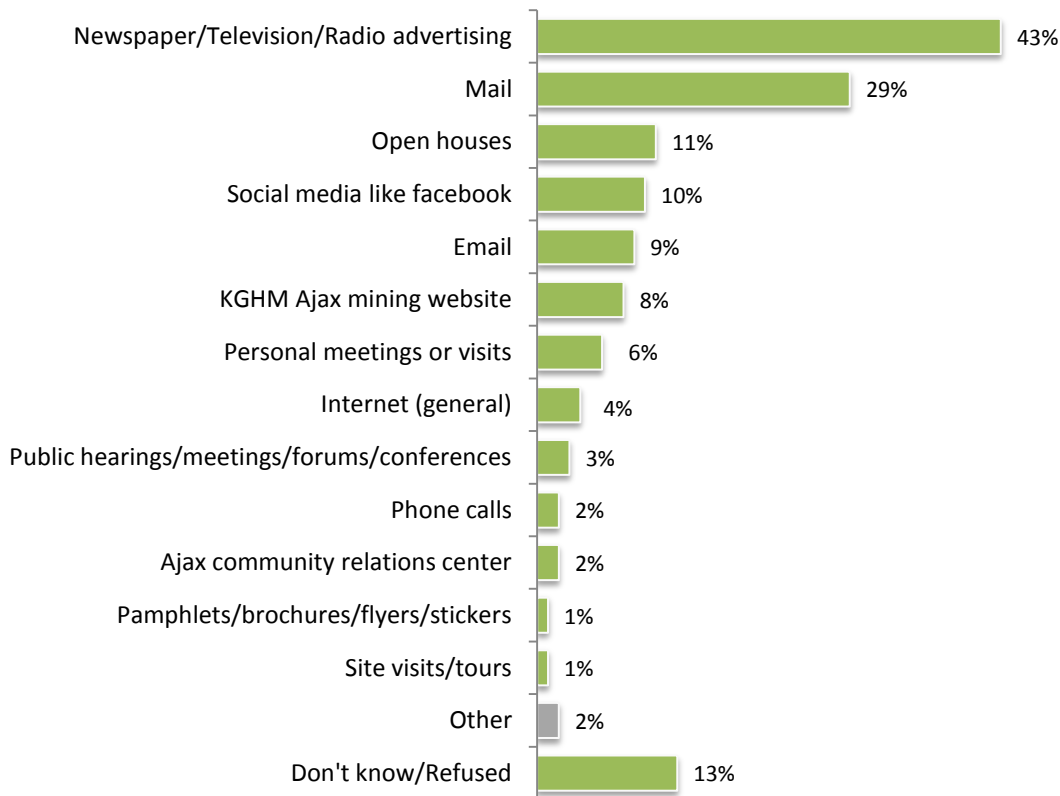
The majority of those interviewed indicated that what is missing is the Environmental Assessment Report. Many noted that until the information contained in the report is made available they are in a holding pattern. For example, those undecided indicated they EA report would be the element they use to finalize their decision. Similarly, those who are decided what the EA report so that they can engage with other residents regarding the specific of the project. Specific topics that came up where more specific information would be welcome include: dust/particulates, noise, traffic, vibration, site management of water, impacts on air shed and watershed.

Preferred method of receiving information about the project

- The most commonly mentioned method of information distribution is traditional media. Newspaper, television and radio were mentioned by 43% of area residents. These were followed by mail (29%), open houses (11%) and social media (10%).
- There are age differences in preferred methods of information distribution. Those 35 years of age and over are more likely to prefer open houses than their younger counterparts (15% vs. 3%) while those under 55 years of age are more likely to prefer email (13% vs. 3%) and the KGHM website (12% vs. 2%). Those aged 35-54 prefer mail (38%) more than their younger or older counterparts (22% and 25%, respectively).

Q3. What is the best method that KGHM could use to provide you with information about the project?

(Multiple Response)



Base: All telephone respondents, n=250

In-Depth Interviews:

The interview responses surrounding the best method KGHM could use to provide the community with information about the project illuminated the need for KGHM to use a broad and diverse range of methodologies to communicate with area residents. More than one

respondent brought up the fact that there is limited media for the area (no daily newspaper and only partial local TV media). The implication being that there is nowhere for residents to get what they feel to be reliable, unbiased information, and also a lack of “thought leadership” available. Respondents highlighted different methods based on their own personal experience, but there was agreement from many that not everyone will use or see all channels, so a ‘broad spectrum’ approach is important. Specific mention was made of: the weekly paper, radio, television, the company and social media websites, going to the people in rural areas where internet is not reliable, having face to face and town hall/open forum meetings, and making hard copies of any materials available at the KGHM Ajax office and City Hall.

Interview participants were also asked if they felt that the methods mentioned would reach all area residents. The consensus is that, method aside, there is a vocal minority of people who, for various reasons (misinformation, against any mining, environmental activists, don’t want change), are strongly opposed to the project. These individuals are seen as already having made up their mind and unwilling to engage with communications about the mine in a meaningful way, regardless of the value of the content of a communication. Along these lines was the idea that “you only get the antis” in any forum – people who are happy won’t show up, only those that aren’t will raise their voices.

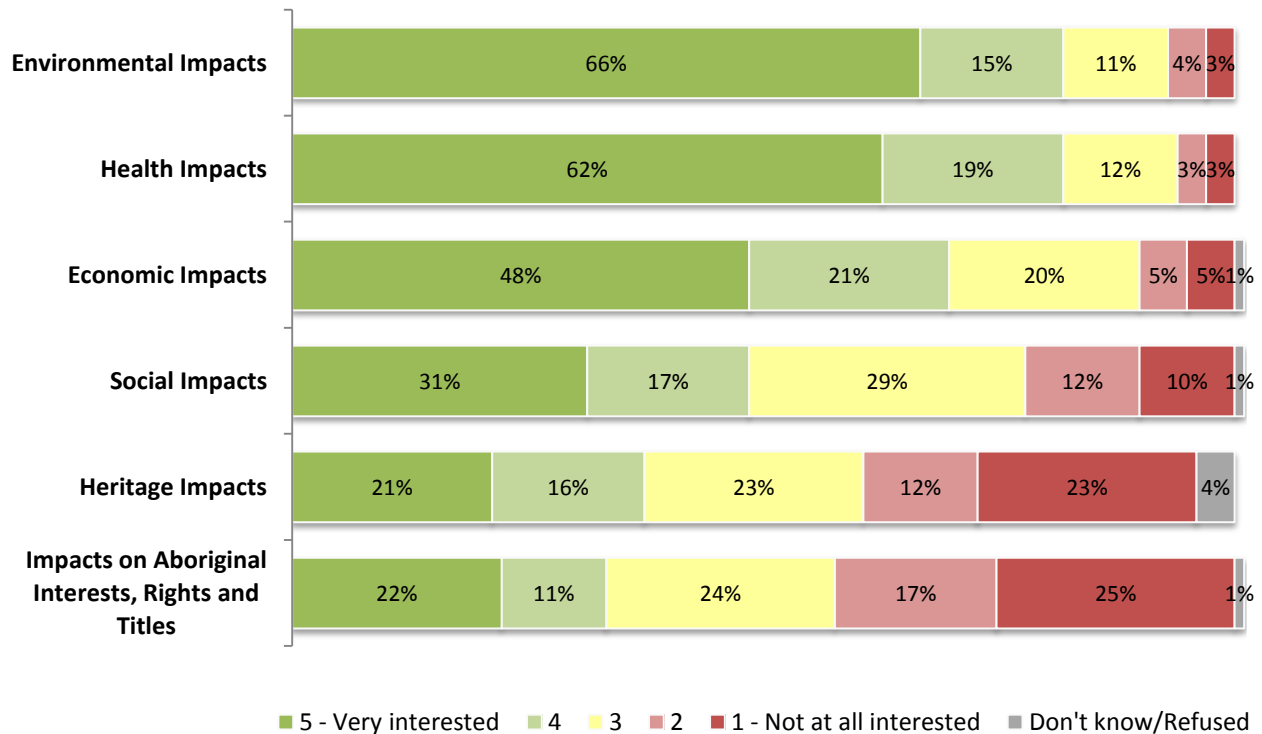
In this line of questioning, interview participants were asked if they feel there is skepticism of the content of materials or communications produced by KGHM because they are the proponent of the project. Responses were varied. Some indicate an awareness of a sense that residents aren’t getting the whole story, which leads to a sense of distrust. Delays in the release of the EA haven’t helped this perception. Others feel that those opposed to the project use any information that is released against KGHM.

An interesting insight from this question is the relative sense of impartiality that the Environmental Assessment Report embodies. The content of this report is viewed almost unanimously as the important piece of the conversation that is missing. A description of ‘content over presenter’ comes across in discussing the EA assessment. The release of the Environmental Assessment application provides a great opportunity to give in such a way that makes fact checking by readers easy and straightforward. It is expected that communications or summaries that directly reference content from this document will be seen as less biased, regardless of the author of the item, since the level of expertise of the authors of the original document authenticates the content.

Topics of interest for Environmental Assessment report

- The top three areas of interest are Environmental Impacts, Health Impacts (tied with 81% rating 4 or 5 on a 5-point scale) and Economic Impacts (69%). This indicates that people are aware of the tension between the potential costs and benefits of the project and are looking for information to help them weigh the pros and cons.
- Across all topics, those individuals who have been following the project in the media or actively seek out information are more interested in all topics than are those who are aware of the project but not following it. Those who live in the areas with V1S and V2H postal codes are especially interested in Environmental Impacts.
- Interest in Social Impacts increases with age. Three-in-ten younger residents are interested in this information (29%), compared to half of residents aged 35-54 (47%) and almost two-thirds (63%) of those 55 years of age and older.

Q4. Please tell me how interested you are with each of the following topics contained in the Environmental Assessment report:



Base: All telephone respondents, n=250

In-Depth Interviews:

When read the list of topics covered in the report (shown above) there were key topics that respondents believed will be the most in demand once the EA is released. The proportions of respondents who found topics of interest followed a similar pattern as the quantitative results. The reasons that followed the selections were very thoughtful.

Those who mentioned Environmental Impacts to be the most important topic indicated they felt this way because “this is something [KGHM doesn’t] control, so must assess” and a “need to know what change will happen”. The environment around the site undergoes change with the project, therefore understanding the scope, reach and impact of the changes are important, in combination with understanding possible mitigation and what KGHM Ajax plans to implement is top of mind. The Mt. Polley tailings pond breach was mentioned, in terms of ties to water, and the impact on regional grasslands.

Mentions of Health followed a similar logic, focusing on the potential of “what could happen”. It was mentioned that there is a vocal health care group, Doctors for Clean Air which opposes the project, with no pro-project counterpart. Concerns of dust, particulates and water quality are top of mind in this category.

Social and Economic Impacts are seen as areas over which KGHM Ajax is seen to have control, and as such although the content here is not expected to be a surprise (e.g., there would be jobs, which would be a positive economic impact), it is important to know the extent, type, and duration of these impacts.

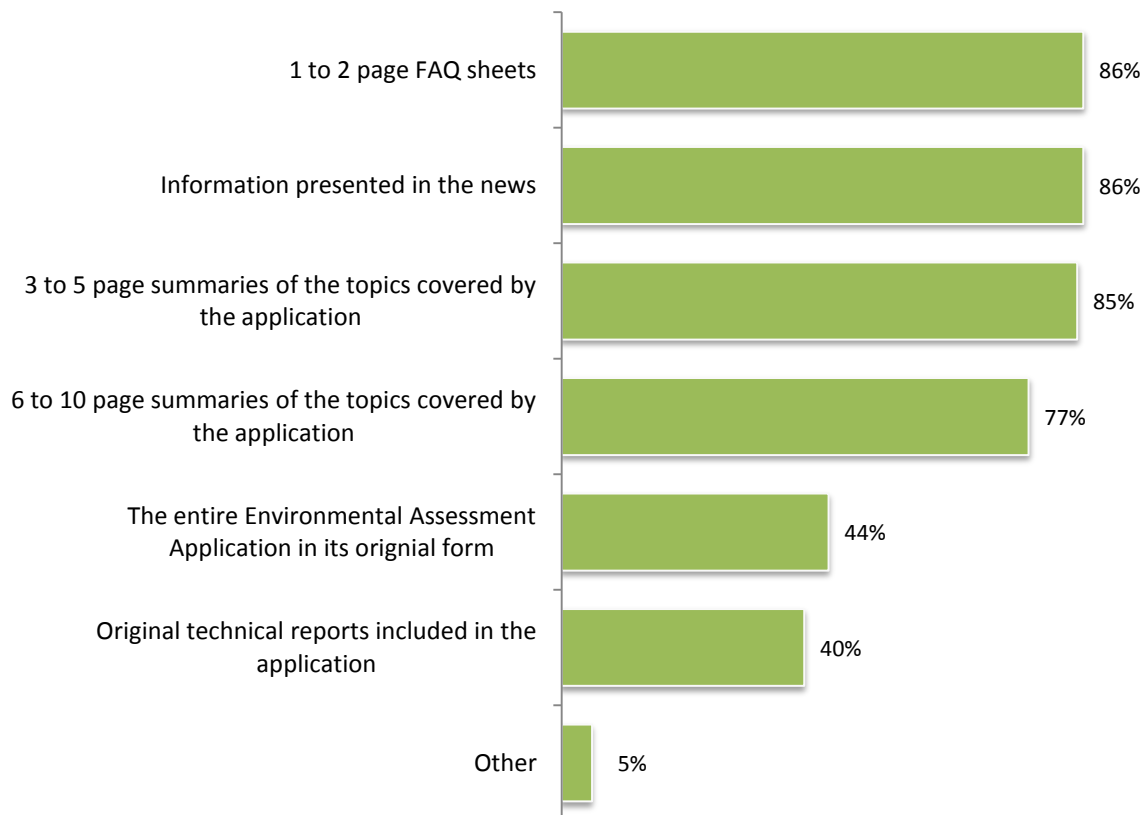
Impacts on Aboriginal Interest, Rights and Titles was mentioned only once, and in the context that for the project to proceed, these issues must be resolved. The content of any agreement isn’t seen to be as important as whether or not they are solved.

Format of information residents are most likely to use

- There is an appetite in the community for the Environmental Assessment application to be made available in its entirety (44%).
- The most in demand formats are 1 to 2 page FAQ sheets and information presented in the news (86% would use each). Following closely are 3-5 page summaries (85%). Slightly longer summaries (6-10 pages) are likely to be used by just over three quarters of area residents (77%).
- The FAQ sheets and 3-5 page summaries appeal equally across age, gender, and previous information seeking activities, making these key formats for distributing information from the EA to the community.
- Making materials KGHM contacts available to media outlets will be important to ensure those who are not actively seeking information are able to access what they need to know.

Q5. Please tell me if you would or would not read, watch or listen to each of the following:

(Percent responding 'Yes' reported)



Base: All telephone respondents, n=250

In-Depth Interviews:

The majority of in-depth interview respondents indicated that they were likely to use the EA report once it is made available, with varying estimates of the depth to which they would read the entire document.

When asked about their perceptions on the format of information those in the community were likely to use, diverse suggestions came up. Once again there was reference to the lack of regular local news media in the form of daily newspaper, so community presentation, online sources (company website and Facebook), and local radio were suggestions. One person indicated that there is a large group of “on the fence-ers” who don’t seem to have a drive to seek out information and are waiting to be presented with the outcome of the EA report to be “told the decision”.

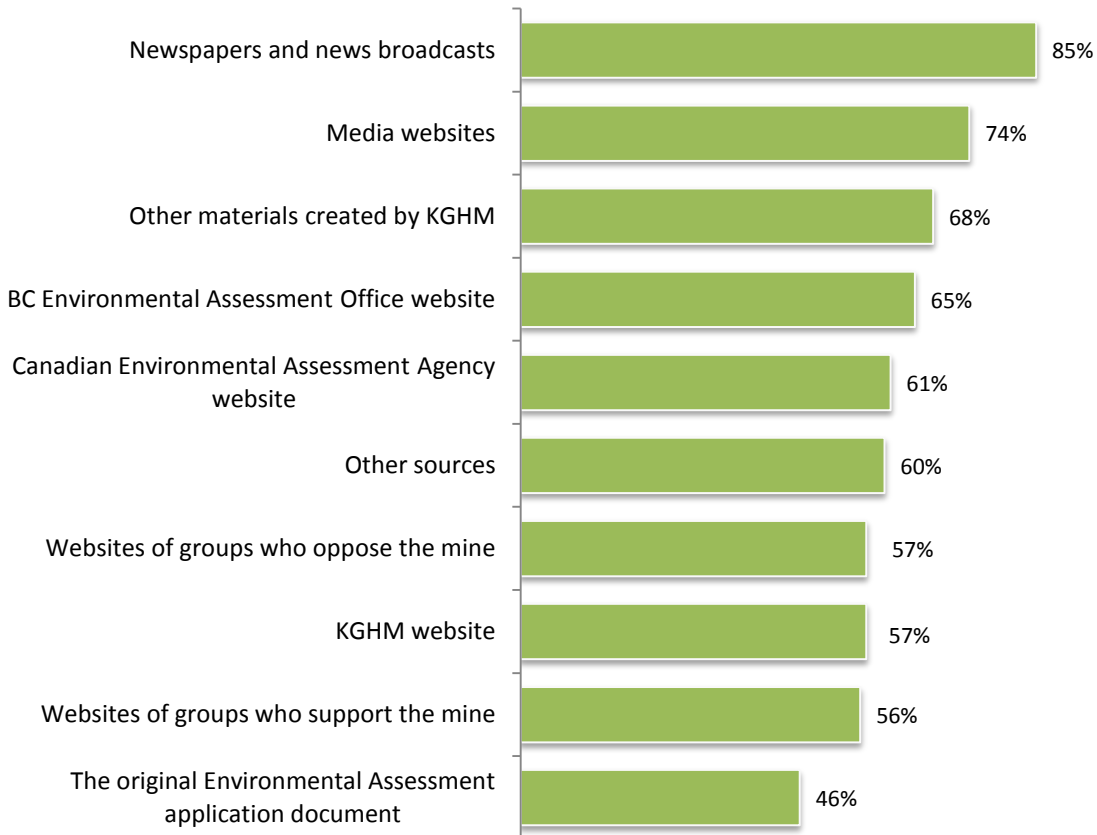
Summaries of the information contained in the report were viewed to be key in terms of disseminating the EA report contents. To be effective these summaries need to be both informative as standalone documents while directly cross referencing the original document. There is the perception that these summaries could be seen as not cherry-picking results; however, by focusing on the most important information in a relevant and understandable manner while referencing the full report, skepticism surrounding the source of the summaries (be it KGHM Ajax or any other group) could be reduced. References to the main report would enable residents to easily check both the completeness of information and its interpretation.

Sources of information residents are most likely to use

- Traditional media is the most frequently mentioned source of information regarding the content of the EA application for area residents. Newspaper and news broadcasts are mentioned by 85% and media websites by 74%. Younger residents (18-34 year of age) are more likely to use websites, and those 55 and older are most likely to rely on print and radio/television.
- Materials produced by KGHM (e.g., FAQ sheets, summaries) are likely to be used by seven in ten residents (68%), but only 57% indicate they will use the KGHM website as a source of information on the report, with younger residents more likely than their older counterparts to use the website. This indicates a need for KGHM to actively distribute materials and not expect residents to come to them for information.
- Respondents were fairly evenly balanced on the extent to which they would use websites of groups who oppose (57%) or support (56%) the project.

Q6. Which, if any sources will you use to learn about the information contained in the Environmental Assessment application?

(Percent responding 'Yes' reported)



Base: All telephone respondents, n=250.

In-Depth Interviews:

Most of those interviewed indicated they plan to review the entire EA application report. Other sources of information about the content of the EA Application include presentations by KGHM, directly contacting the company or person of interest, and summaries created by KGHM about report contents.

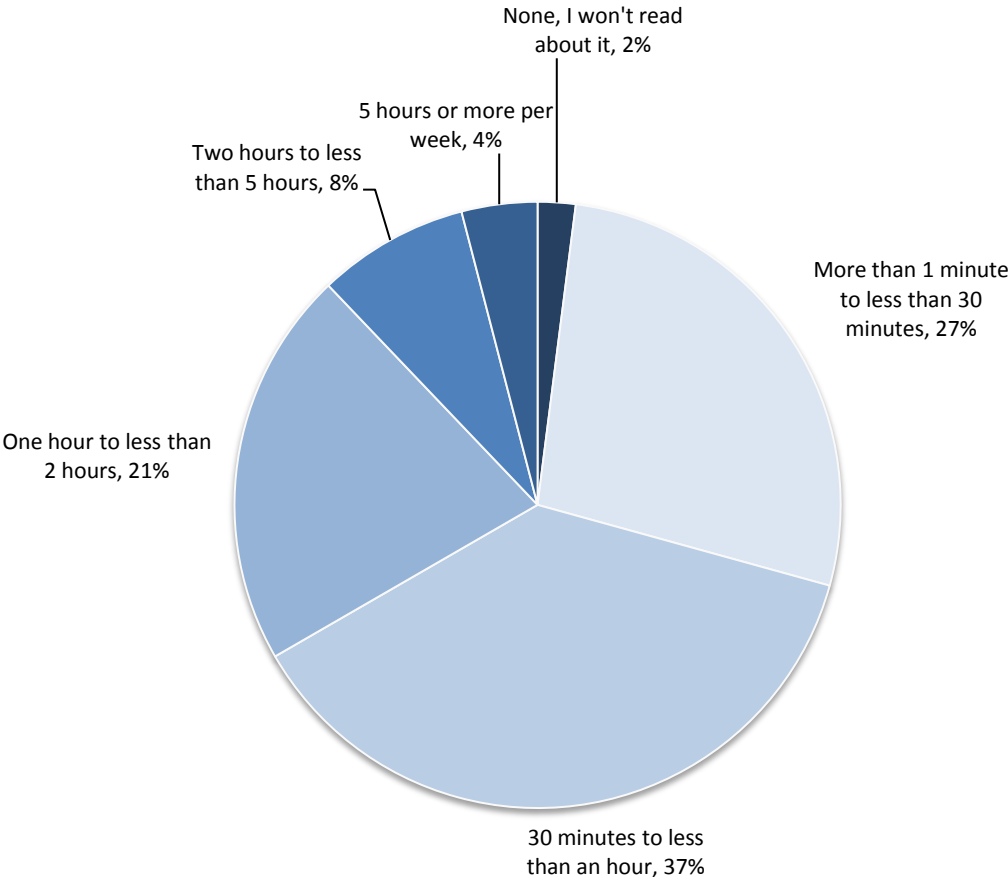
Discussions around the sources reflect the awareness that information provided by KGHM Ajax will be perceived to be biased. Steps that might be taken by KGHM to reduce this bias, such as having communications written by an independent party, or a topic expert, will likely not provide enough distance, as the sense of 'who paid for the material' will prevail. There is some sense that an impartial, scientific voice could help, but the motivation for such an individual to do the work would still come into question.

From this point it was voiced by more than one individual that KGHM can create communications that can overcome this bias. These must be directly tied to material in the EA Application and provide solution-based content that gives a clear picture of what can, and cannot, be done. This material must be balanced, able to be understood by laypeople, and give real implications for citizens and their surroundings.

Expected time per week spent reading Environmental Assessment

- The vast majority of residents (98%) will spend at least a small amount of time reading and researching the information presented in the EA application. Just over a quarter (27%) will spend less than half an hour a week, four in ten (37%) will spend a half an hour to under an hour, and 21% will spend one to under two hours. Only 12% expect to spend two or more hours learning about the contents of the assessment.
- Those who have followed the project more closely are more likely to spend longer amounts of time than are those who have not.

Q7. Once KGHM's application for an environmental certificate is submitted to government and publicly released, how much time per week do you expect to spend reading and researching this information?



Base: All telephone respondents, n=250.

In-Depth Interviews:

The time expected to spend on the report among those interviewed fell on a continuum from “none” to “minutes” to “a couple of hours” to “a day or two” to “a solid couple of days”. Those who seemed more set in their position were generally expecting to spend less time reading the report.

Additional In-Depth Interview questions and insights

Intend to do with information?

Intentions of interviewees are different based on their position on the project. Some will use it to formulate and finalize their own position, and have no plans to disseminate or voice their support either way. These individuals are waiting to see the extent to which the contents address their current concerns, and will take it no further. Three of the five people we spoke with plan to use the information to advocate, although one qualified that the information has to be good for this to occur. These individuals have plans to share the information with their networks, answer questions, and get engaged in discussions. Mention was made by one individual of cutting it down to small parts and disseminating, while another mentioned a desire for digital versions to be available to make it easy to email out.

Barriers in terms of public engagement and community support?

When asked about barriers that exist for KGHM in terms of public engagement and community support, items mentioned include:

- A mobilized and prominent minority opposing the project who are not willing to engage in discussion
- The location of the proposed mine is intimidating
- Reduced media limits how well and how far KGHM can inform people
- Bias in the news, a perception that KGHM can't do anything right and are not giving out information
- Some people are misinformed
- Hesitancy of individuals and businesses to openly support the project due to political consequences. Businesses fear losing business from those who have a different opinion on the project
- Unwillingness of the basic populous to be engaged. There is a sense that there need to be project champions in the community to provide the other side of the conversation

(e.g. “a doctor to stand up and say the project is not the end of the world”, as a counter point to Physicians for Clean Air)

- Socio-economic changes and the impact high paying trades opportunities may have on what is currently an exclusive group
- Fear of the unknown – no one can answer what they don’t know

Recommendations for how KGHM Ajax can effectively communicate with or engage area residents

As a caveat to community engagement effectiveness, many noted that expending effort to engage and communicate with staunch anti-project individuals would likely be a wasted effort for KGHM Ajax as individuals with this position are unlikely to engage in a meaningful way.

Beyond communicating with this group, there is a general perception that KGHM Ajax has been doing a good job trying to inform and engage the community. One of those interviewed appreciated that they have done well with using different forums and disseminated different types of information. Other mentions include focus groups and community presentations, that KGHM has been effective in either getting in key people or using those who are respected and have a good reputation in the community as faces for the project (e.g., Yves Lacasse), and not pressuring anyone to declare a position.

Ideas for increasing community engagement going forward include:

- Having the materials used at open house presentations available online
- Continuing with social events for people of all ages
- Releasing the full Environmental Assessment Application
- Provide information in an accessible way for the layman. There are no helpful voices in the media landscape and no replacement of thought leaders in the community, so information needs to be available and understandable
- Get more vocal supporters to speak up
- Working to establish two-way communications about important topics
- Working harder to connect with the younger group – they may not understand the implications of the economic impact of the project
- Find a way to respond to “ludicrous” claims made by groups who do not support the project so not seen as condoning the claims

Other suggestions focused on how KGHM can provide summaries that will be useful and accepted as reasonably unbiased in communicating the content of the EA report to the community. These include:

- Illustrating the timeline of the project with realistic illustrations of what the project, economic impact, social impact and environment will look like in 5, 10, 50 and 100 years
- Draw out simple solutions and make them real to the community (e.g., use comparisons to things in everyday time in terms of scales of measurements, etc.)
- Use concrete numbers in solutions to areas of concern. For example, dust is a major concern. Report what the dust levels will be, how many water trucks will be used at what frequencies and what the reduction in airborne particles will be as a result.
- Reference relevant similarities to HVC and New Gold, who are seen as success stories and supported in the community
- Focus on reclamation and the environmental bond. Clearly illustrate what the mine site will look like in 100 years, and the timeline/milestones that will be undertaken to get there
- Making hard and soft copies of materials readily available. Digital version of documents that can be easily shared will help with the dissemination of knowledge by vested parties, while hard copies at the KGHM Ajax office and City Hall will ensure those without reliable internet access or comfort with the internet have access to all available information.

KGHM

INTERNATIONAL

KGHM International Perception Audit 2014

DRAFT

June 30, 2014

Prepared by:



NRG Research Group

Liddie Sorensen-Lawrence, MBA

Senior Vice President

T: 604-676-5649

E: ls@nrgresearchgroup.com

Lesley Duncan, PhD

Research Manager

T: 604-676-3994

E: lduncan@nrgresearchgroup.com

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Executive Summary

NRG Research Group conducted telephone interviews with 413 individuals for *KGHM International* between June 16th and June 25th, 2014. Similar studies were also conducted in January 2014 (Wave 4; n=354), February 2013 (Wave 3; n=385), April 2012 (Wave 2; n=385), and August 2011 (Wave 1; n=385). All respondents are residents of the City of Kamloops. Data was weighted to reflect the age and gender of the population as well as the population distribution by the first three digits of their postal code (FSA). The primary purpose of the survey was to better understand Kamloops residents' impressions of the proposed mine in the area and track impressions as they change over time.

Below are key findings and recommendations of the study.

Key Findings

Approval ratings for the project saw a decrease after the unexpectedly high results in Wave 4.

As one third (32%) of residents approve of the project (rate it 6 or 7 on a 7 point scale), Wave 5 results returned to levels previous seen in Wave 3. It appears that the lift in Wave 4 was largely due to the heavy communication blitz (household phone and mail contact regarding the Ajax project) that was happening simultaneously to the polling.

Active interest in the project has the highest growth within the community. Close to nine-in-ten respondents (86%) are closely following or have actively sought information about the project. The largest increases continues to be in the proportion of residents "having actively sought information from sources other than the media" (44%, up from 34% in January, 29% in 2013, 25% in 2012, and just 12% in 2011).

Residents' opinions of the project continue to solidify. Overall, 84% of residents have some opinion about the project and nearly half (45%) state that they have formed a strong opinion that additional information will not change. The proportion of those waiting for more information continues to decrease, suggesting residents feel they are getting the information they need to inform their position.

Vast majority of residents are aware of efforts to provide project information. In fact, 89% of area residents are aware of efforts the company has made to provide information on the project to the community.

Newspaper, television and radio are still the main sources of information distribution regarding the Ajax project. Traditional forms of advertising are still the leading sources information noted by almost half (51%) of respondents aware of efforts to provide information about the project. Open houses (42%) increased from (29%) the previous wave.

Key Recommendations

- Time major communication and engagement campaigns strategically. The high Wave 4 approval ratings coincided with a large community contact effort and reflected positive outcomes. However, Wave 5 approval levels were back to expected trend levels, suggesting the impacts of information and community outreach may be mitigated over time by other information or experiences.
- Focus on the key topic areas mentioned by residents, including environmental concerns, employment, and proximity; provide information addressing those issues and ensure it is available from a variety of sources to those who are actively looking for it beyond traditional media. Making the FAQ section on the website more prominent and including more or different information on some of these topics may be useful in this regard.
- Investigate the possible sources residents are using to find information about the Ajax mine beyond traditional media. Increased awareness of what active information seekers are exposed to may be useful in tailoring communications.
- Work to increase the proportion of area residents who are aware of the proposed changes to the Ajax project and the implications of these changes. As the changes address some location and proximity issues, having more area residents aware of these changes will likely be beneficial.

Background and Survey Objectives

Background Information

In January 2014, NRG Research Group was retained by KGHM International to conduct a series of public opinion surveys. The June survey was similar to the surveys conducted in January 2014, February 2013, April 2012 and September 2011. The primary purpose of the survey is to better understand Kamloops residents' impressions of the proposed mine in the area and track impressions as they change over time.

Survey Objectives

The primary objectives of the survey were to:

- ✓ Assess the awareness levels of the proposed Ajax mine project;
- ✓ Understand how residents view the proposed Ajax mine;
- ✓ Gauge awareness of company efforts to provide information on the project to the community;
- ✓ Assess awareness of the methods used to provide information;
- ✓ Gauge approval of the proposed mine among area residents;
- ✓ Gauge perception of incumbents and key issues in the upcoming civic election; and,
- ✓ Track changing impressions of the Ajax mine over time.

Note: Percentages marked in **blue font** are significantly higher in comparison to the compared proportion and those in **red font** are significantly lower.

Survey Methodology

Methodology

NRG Research Group conducted telephone interviews for *KGHM International* between June 16th and June 25th, 2014. Similar studies were also conducted in January 2014, February 2013, April 2012, and August 2011. For all Waves of the survey, interviews were conducted among residents from the City of Kamloops. Waves 1, 2, and 3 had 385 completed surveys and an overall maximum margin of error of $\pm 5.0\%$ at the 95% level of confidence. Wave 4 had 354 completed surveys (fielding was shortened at KGHM's request) with an overall maximum margin of error of $\pm 5.2\%$ at the 95% level of confidence. Wave 5 had 413 completed surveys and an overall maximum margin of error of $\pm 4.8\%$ at the 95% level of confidence. As this study is designed to track residents' perceptions of the proposed mine project over time, key items on the survey instrument remained relatively similar to previous versions. The 2014 survey is available in Appendix 1.

Weighting Scheme

The survey was conducted among Kamloops residents who are aged 18 years or older using a random digital dial (RDD) sample source. Quotas were set to ensure that respondents represented the overall population base. To account for over-sampling of certain demographic groups, the results are weighted to reflect the population by age and gender according to the Census.

Census Population Distribution

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
14%	19%	16%	14%	20%	17%

Wave 5 Raw Survey Completes Distribution

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
11%	19%	16%	6%	24%	24%

Wave 5 Weights

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
1.18	0.96	1.02	2.33	0.88	0.75

Wave 5 Weighting by Postal Code

Additionally, in Wave 3, 4 and 5, results were weighted according to the proportion of the Kamloops population falling into each of 5 regional postal codes. The tables below detail the weighting by postal code region:

Census Population Distribution

V1S	V2B	V2C	V2E	V2H
11%	42%	27%	15%	6%

Wave 5 Raw Survey Completes Distribution

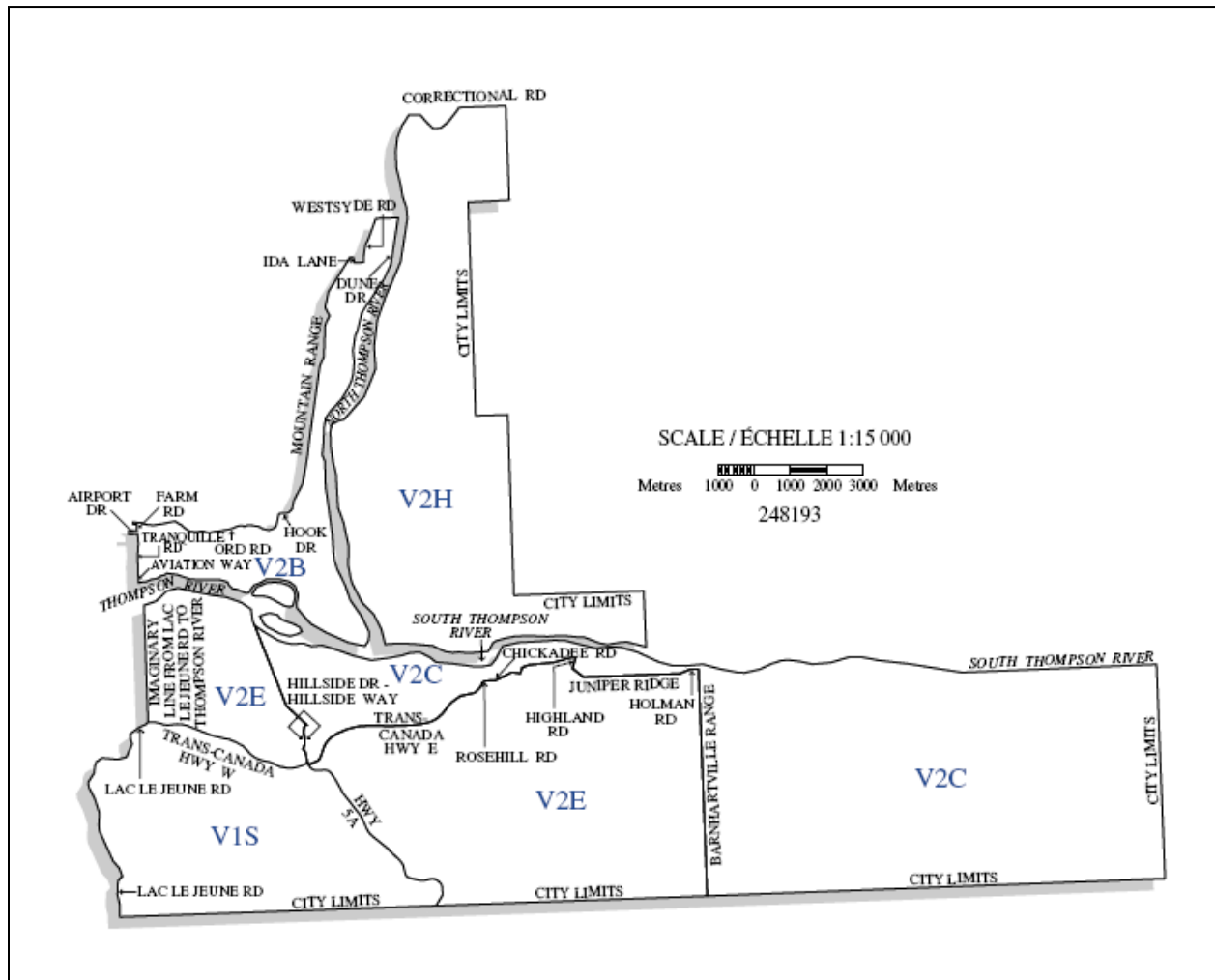
V1S	V2B	V2C	V2E	V2H
5%	38%	35%	15%	7%

Wave 5 Weights

V1S	V2B	V2C	V2E	V2H
1.95	1.09	0.78	0.98	0.86

The following Canada Post map was used to determine the areas which fall into each postal code, as summarized in the table below:

Region	Geographical Location	General areas of Kamloops within each postal code
V1S	South West	Aberdeen
V2B	North West	North Shore/Batchelor Heights/Westsyde/Brocklehurst/North Kamloops
V2C	Central and South East	Downtown/Southgate/West End/Barnhartvale/Campbell Creek/Dallas/South Kamloops
V2E	Central West and Central South	Sahali/Rosehill/Juniper Ridge/Knutsford/Valleyview
V2H	North East	Sun Rivers/Rayleigh



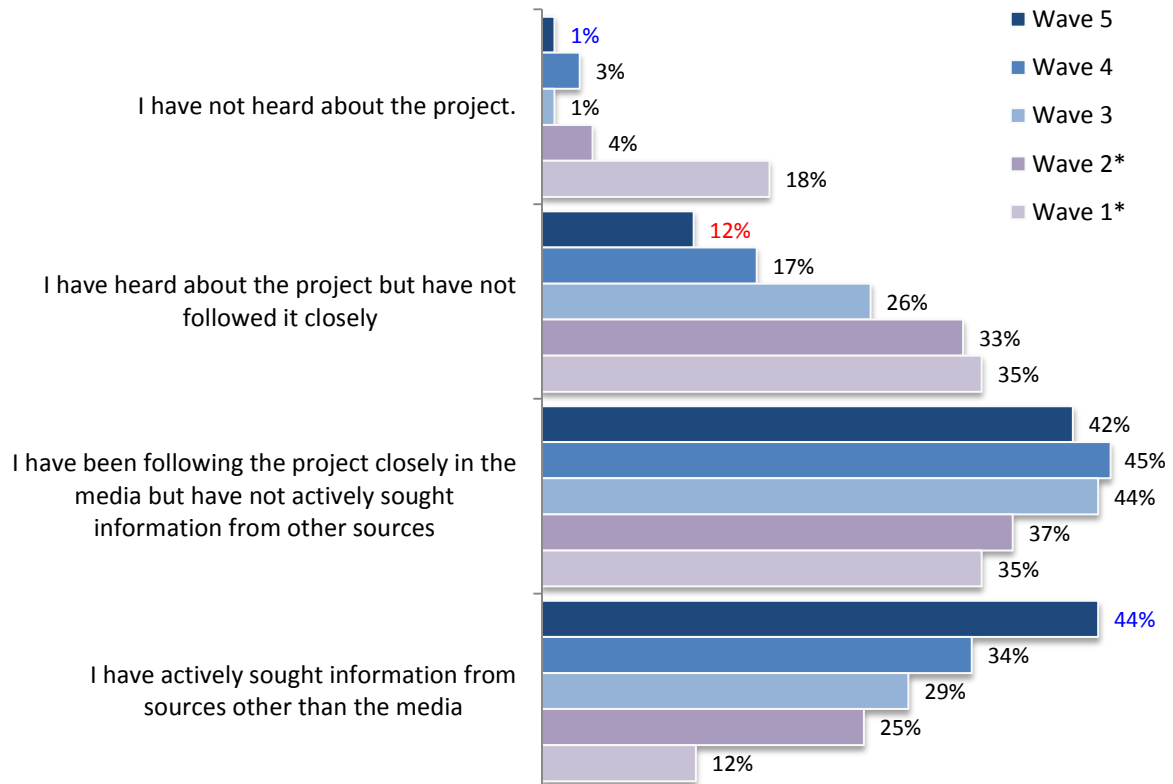
Source: Canada Post, 2001. Kamloops Urban FSA's.

Survey Results

Perception of self-knowledge regarding the Ajax mine

- Wave 5 showed a significant increase in the proportion of residents who have actively sought information from sources other than the media (from 34% in Wave 4 to 44% in Wave 5). The proportion of residents who say they have heard about, but not followed the project closely continues to drop significantly (from 17% in Wave 4 to 12% in Wave 5).
- Residents living in the South West (FSA is V1S and includes the Aberdeen neighbourhood) are significantly more likely to have actively sought out information from sources other than the media than those living in other areas of the city (70% versus 35%-52%).

Q1. Which of the following statements best describes how well informed you are about the Ajax project?



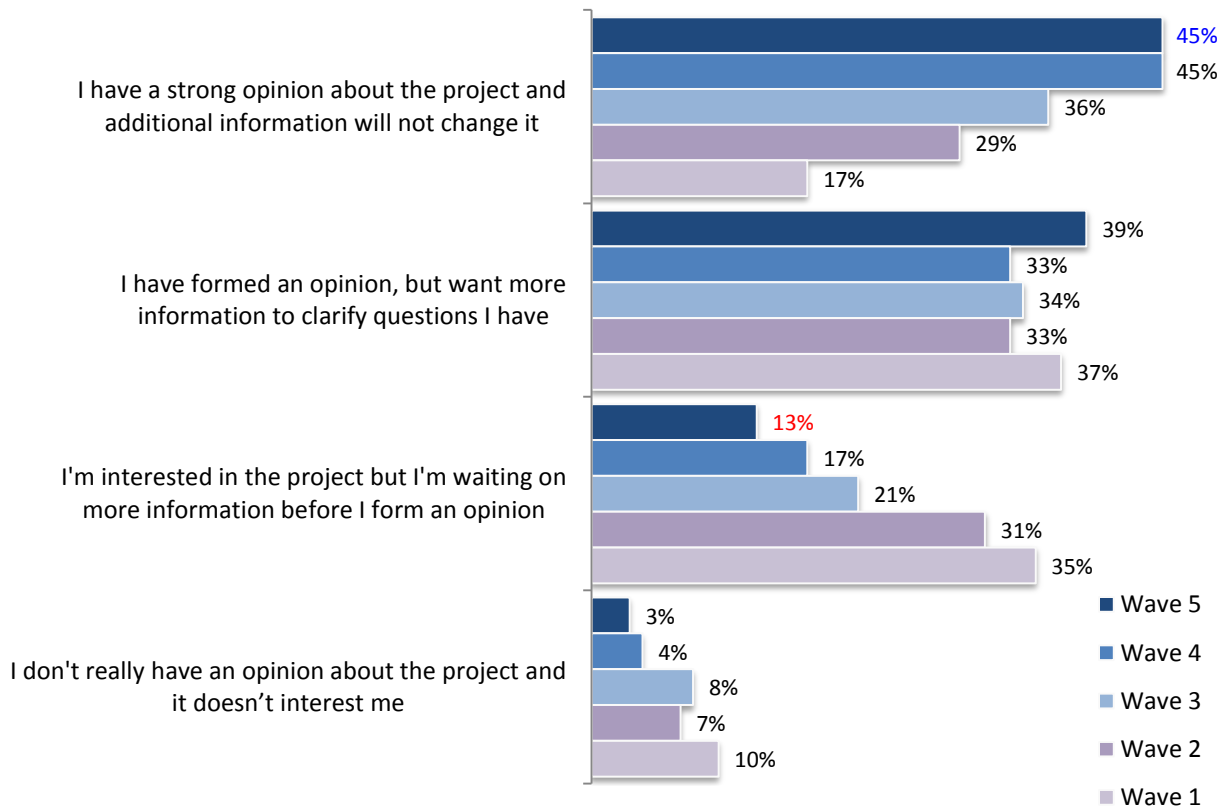
Base=All Respondents.
Wave 5, n=413. Wave 4, n=354. Wave 1, Wave 2, and Wave 3, n=385.

* For comparability with Wave 3 and 4, Wave 1 and 2 results were re-proportioned to incorporate respondents who were not aware of the Ajax project.

Opinion regarding the Ajax mine project

- Kamloops residents continue to hold strong opinions about the Ajax project. Consistent with Wave 4, 45% indicate they have a strong opinion that additional information will not change.
- There is a slight increase in the proportion who have an opinion but want more information to clarify questions they have (from 33% in Wave 4 to 39% in Wave 5). These individuals are coming from the position of wanting more information before forming an opinion, consistent with the finding that the population is looking for, and finding, information about the project.

Q2. Please indicate which of the following statements best reflects your opinion on the Ajax project?

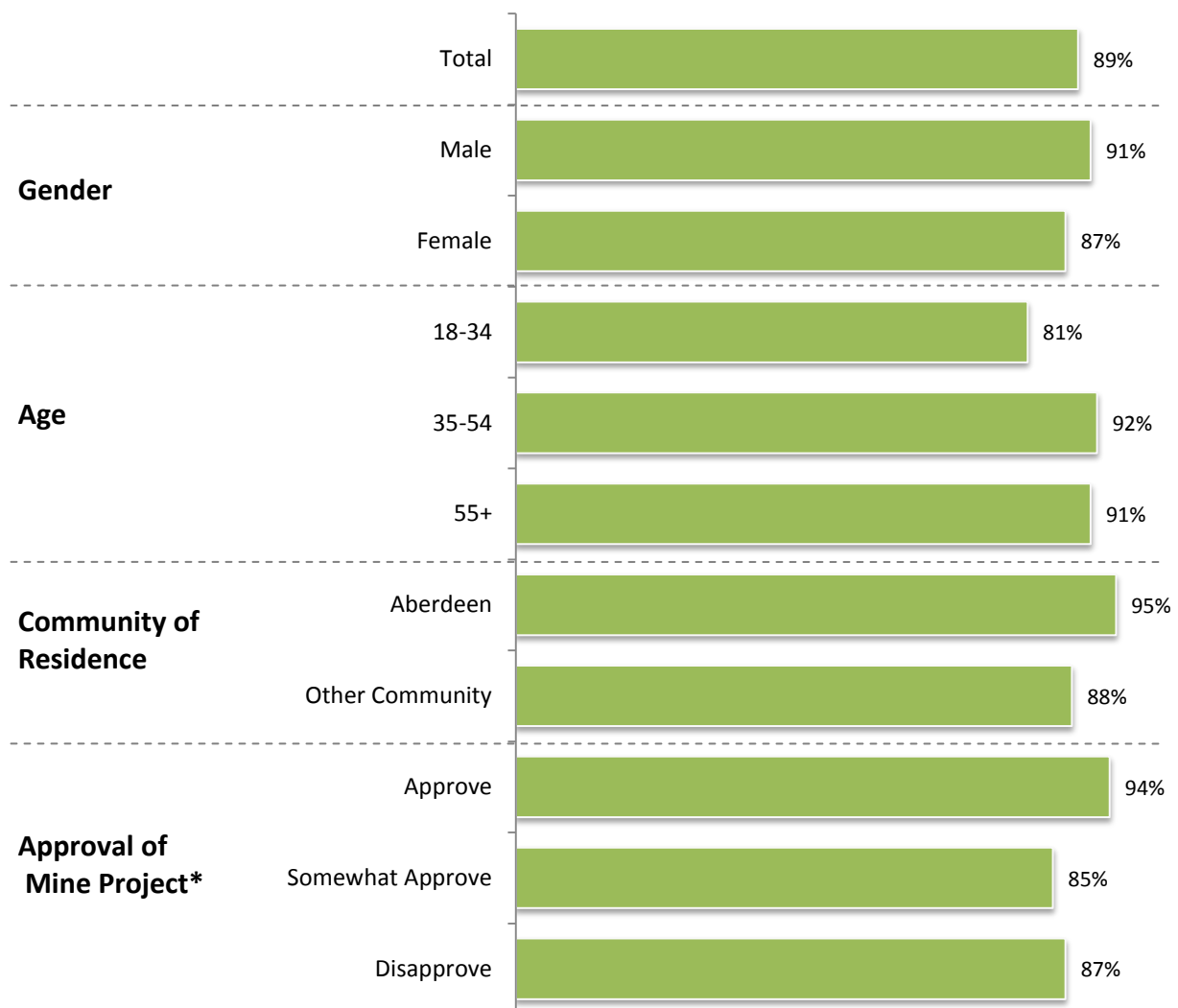


Base: Aware of Ajax project.
Wave 5, n=409. Wave 4, n=343, Wave 3, n = 378. Wave 2, n=372. Wave 1, n=323.

Awareness of company efforts to provide information to the community

- Nearly nine-in-ten (89%) Kamloops residents are aware of efforts the company has made to provide information on the project to the community.
- Due to the high level of awareness, overall there are few significant differences by demographic group.

Q3. Are you aware of any efforts the company has made to provide information on the project to the community?
(% stating 'yes')



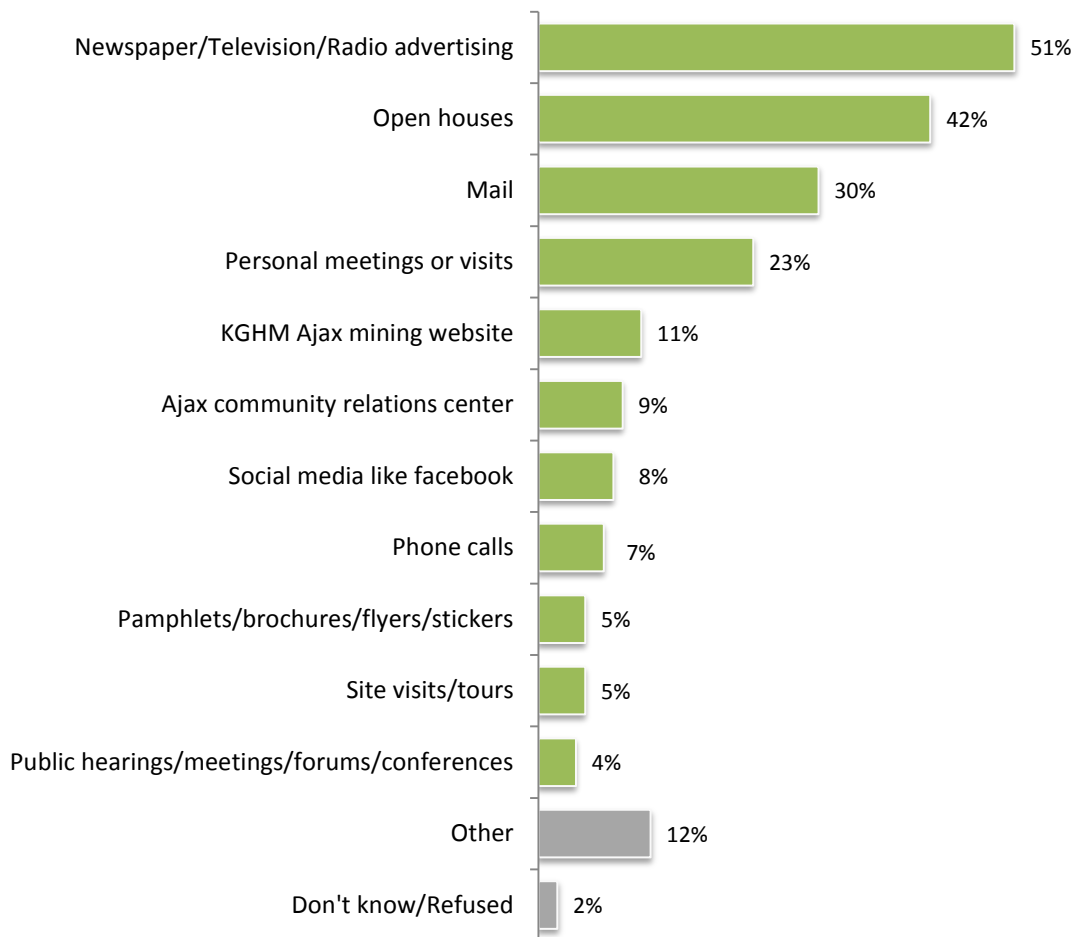
Base: Those who are aware of the project. n=411.

*Approval of mine project categories are based on scores on a 7 point project approval scale where 1 is Completely Disapprove and 7 is Completely Approve. *Approve* rated 6 or 7, *Somewhat Approve* rated 4 or 5 and *Disapprove* rated 1, 2 or 3. To interpret, 92% of those who Approve of the project are aware of efforts made to provide information.

Awareness of specific efforts to provide information to the community

- Among the 89% of residents aware of efforts KGHM has made to provide information on the project, newspaper/television/radio advertising (51%) are the most frequently mentioned methods of providing information.
- Open houses increased from last wave (to 42% from 29%) and Mail remained relatively consistent (30% from 29%).

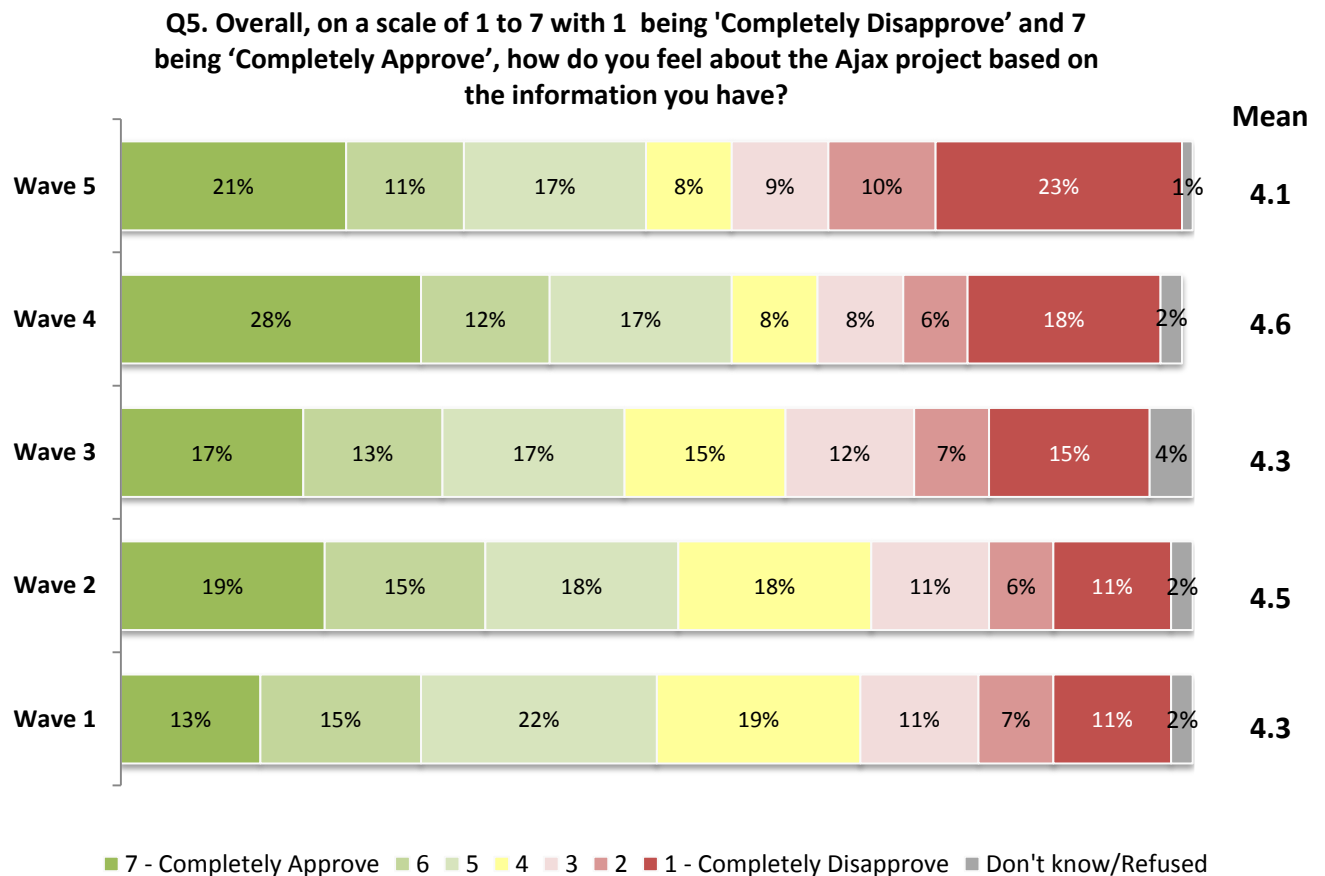
Q4. What efforts are you aware of that the company has made to provide information about the project? (Multiple Response)



Base: Those who are aware of efforts the company has made to provide information, n=367.

Support for the proposed Ajax mine project

- In Wave 5, three-in-ten (32%) area residents Strongly Approve (rate 6 or 7 out of 7) the proposed Ajax mine project.
- Wave 5 approval levels are significantly lower than the approval levels seen in the Wave 4 survey. This is likely because the approval levels in Wave 4 were exceptionally high, reflecting the effects of a large phone and mail community relations campaign taking place at the same time as the survey.
- Currently, males are significantly more likely to Strongly Approve the project than are females (39% vs. 26%).

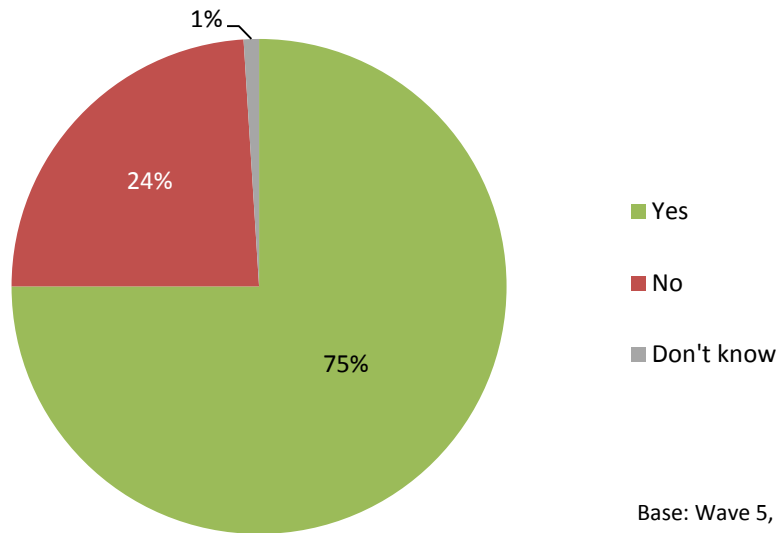


Base: Wave 1, Wave 2, and Wave 3, n=385. Wave 4, n=354. Wave 5, n=413.

Awareness of changes to proposed Ajax mine plans

- On May 29th KGHM announced changes to the proposed Ajax mine plans that included moving portions of the mine operations further from the City of Kamloops. Three quarters (74%) of respondents were aware of the changes.
- Those over the age of 35 (80% of those 35-54, 82% of those 55+) are significantly more likely to be aware of the changes to the proposed mine plans announced May 29th than those 18-34 (60%).
- Regardless of whether Kamloops residents support or oppose the Ajax mining project, those with a strong position are more likely to be aware of changes to the plans (78% of Strong Approvers and 81% of Strong Disapprovers) than those who Somewhat Approve the project (58%).

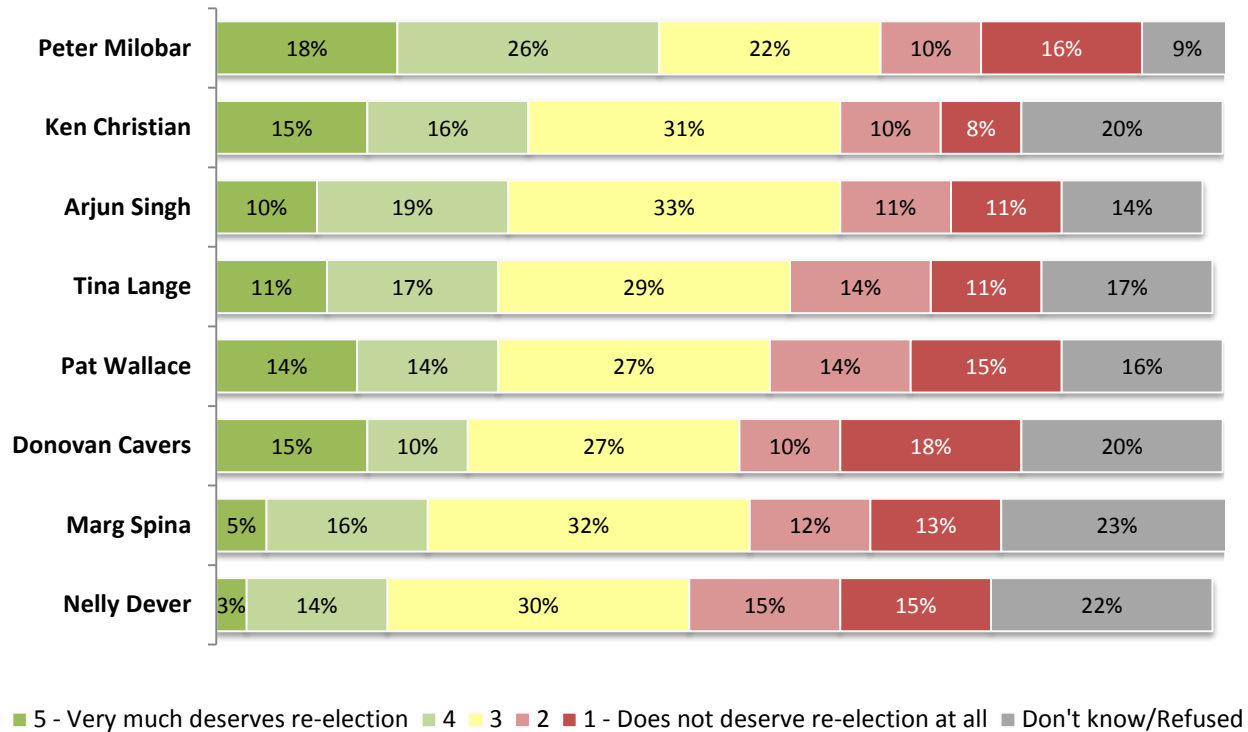
Q12. Are you aware of the changes to the proposed mine plans that were announced May 29th?



Opinions on November 2014 municipal elections

- Many Kamloops residents do not have strong opinions regarding the extent to which incumbents deserve re-election, reflected by the 14-23% who indicate they 'Don't Know' and the 22%-33% who gave neutral ratings.
- Mayor Peter Milobar has the highest support with 43% indicating they feel he deserves re-election. Councillor Nelly Dever has the lowest support with 17% indicating she deserves re-election.

Q9. Using a 5 point scale where 1 is 'Does not deserve re-election at all' and 5 is 'Very much deserves re-election', how much do you think [NAME] deserves re-election?

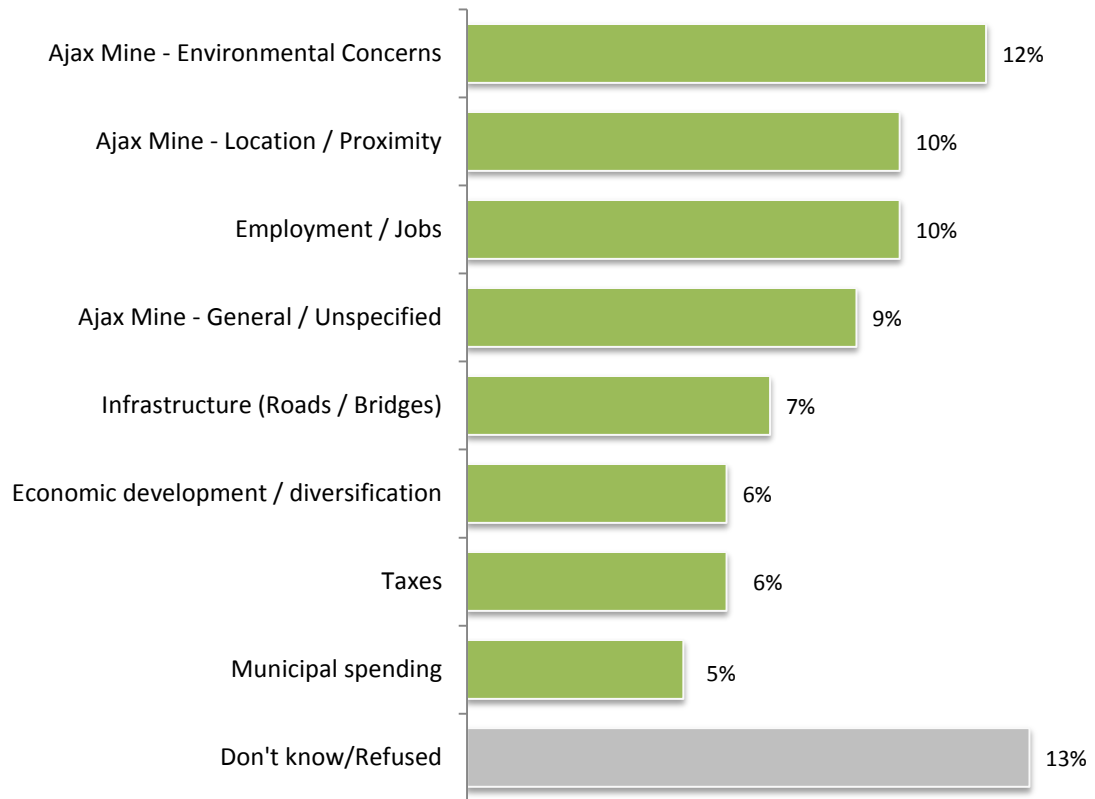


Base: Wave 5, n=413.

Perceptions of most important issue facing Kamloops

- The mine is a top of mind issue facing Kamloops today. It is mentioned in 64% of residents' responses. Three of the top five issues mentioned the proposed mine, including Ajax Environmental concerns (12%), Ajax Location (10%) and general mentions of the mine (10%).
- Other frequently mentioned topics unrelated to the Ajax project Employment (10%) and Infrastructure (7%), rounding out the top five.

Q10. As you consider your vote for city council, what is the most important issue facing Kamloops today?
(Multiple Response)

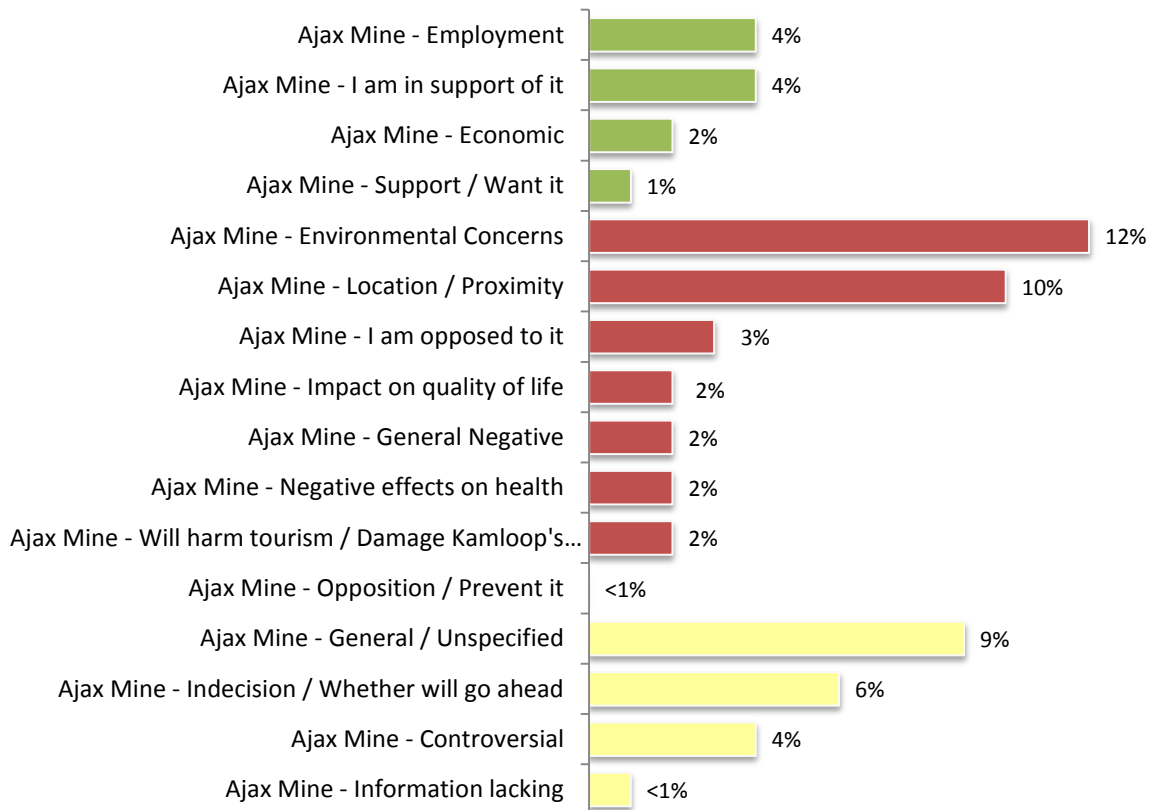


*Limited to mentions greater than 5%. Base: Wave 5, n=413.

Perceptions of most important issue facing Kamloops: Ajax Mine specific

- All mentions of the mine as the most important issue facing Kamloops today are shown in the chart below.
- Green bars indicate positive mentions, red indicate negative topics, and yellow indicate relatively neutral mentions.

Q10. As you consider your vote for city council, what is the most important issue facing Kamloops today?
(Multiple Response)

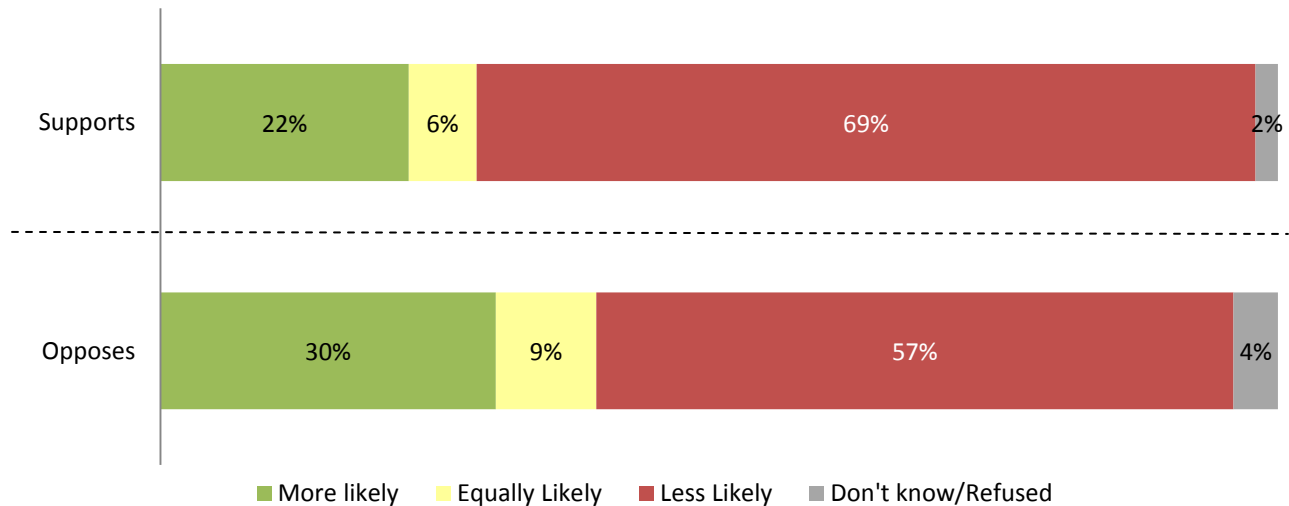


*Limited to mentions of the proposed Ajax project. Base: Wave 5, n=413.

Likelihood of supporting a candidate who supports or opposes Ajax

- This was a split sample question in which half of the respondents were asked if they *would be more or less likely to vote for a candidate who **supports** Ajax before environmental studies are released* and half were asked if they *would be more or less likely to vote for a candidate who **opposes** Ajax before environmental studies are released*.
- Of those asked the support question, two-in-ten (22%) were more likely to vote for a candidate who supports the project.
- Three-in-ten (30%) were more likely to vote for one who opposes the project before the environmental studies are released.
- In each case, the larger proportion (69% in the support and 58% in the oppose) were less likely to vote for a candidate who had made up their mind before the environmental studies had been released, suggesting the majority of residents do not support a politician with an agenda that is not informed by the facts, regardless of the direction of that agenda.

Q11. Would you be more or less likely to vote for a candidate who supports/opposes Ajax before any environmental studies have been released?



Base: Wave 5, n=413.

Summary

- Wave 5 showed a significant increase in the proportion of residents who have actively sought information from sources other than the media (from 34% in Wave 4 to 44% in Wave 5). The proportion of residents who say they have heard about, but not followed the project closely continues to drop significantly (from 17% in Wave 4 to 12% in Wave 5).
- Kamloops residents continue to hold strong opinions about the Ajax project. Consistent with Wave 4, 45% indicate they have a strong opinion that additional information will not change.
- Among the 89% of residents aware of efforts KGHM has made to provide information on the project, newspaper/television/radio advertising (51%) are the most frequently mentioned methods of providing information. Open houses (42%) and Mail (30%) are the second and third most commonly mentioned sources of information.
- Three-in-ten (32%) area residents Strongly Approve (rate 6 or 7 out of 7) the proposed Ajax mine project. Wave 5 approval levels are significantly lower than the approval levels seen in the Wave 4 survey, likely a result of exceptionally high approval levels in Wave 4, not low levels in the current Wave. Wave 4 levels reflected the positive effects of a large phone and mail community relations campaign taking place during the same time frame as the survey.
- On May 29th KGHM announced changes to the proposed Ajax mine plans that included moving portions of the mine operations further from the City of Kamloops. Three quarters (74%) of respondents were aware of the changes.
- Many Kamloops residents do not have strong opinions regarding the extent to which incumbents deserve re-election, reflected by the 14-23% who indicate they 'Don't Know' and the 22%-33% who gave neutral ratings.
- The mine is a top of mind issue facing Kamloops today. It is mentioned in 64% of residents' responses. Three of the top five issues mentioned the proposed mine, including Ajax Environmental concerns (12%), Ajax Location (10%) and general mentions of the mine (10%).
- In a split sample questions, two-in-ten (22%) were more likely to vote for a candidate who supports the project before the environmental studies are released, three-in-ten (30%) for those who oppose. In each case, the larger proportion (69% in the support and 58% in the oppose condition) was less likely to vote for a candidate who had made up their mind before the environmental studies had been released.

Demographics

Area of Kamloops	Approve of Ajax project	Somewhat Approve of Ajax project	Disapprove of Ajax project	TOTAL (n=413)
	6 or 7 rating on a 7 point scale (n=137)	4 or 5 rating on a 7 point scale (n=102)	1-3 rating on a 7 point scale (n=169)	
Bachelor Heights	5%	5%	3%	5%
North Kamloops	16%	18%	12%	15%
South Kamloops	8%	6%	8%	8%
Aberdeen	10%	9%	12%	10%
Barnhartvale	5%	4%	3%	4%
Brocklehurst	14%	12%	12%	13%
Campbell Creek	2%	-	<1%	1%
Dallas	2%	3%	2%	2%
Dufferin	4%	2%	5%	4%
Knutsford	2%	1%	3%	2%
Pineview	-	2%	3%	2%
Sahali	8%	9%	12%	10%
Raleigh	4%	5%	3%	4%
Rosehill	<1%	1%	-	<1%
Valleyview	5%	5%	2%	3%
Downtown	1%	1%	2%	1%
Westside	8%	8%	7%	7%
Juniper	1%	3%	4%	3%
Other	6%	7%	5%	6%
Refused	-	-	-	-

KGHM

INTERNATIONAL

KGHM International Perception Audit 2014

January 22nd, 2014

Prepared by:



NRG Research Group

Liddie Sorensen-Lawrence, MBA

Senior Vice President

T: 604-676-5649

E: ls@nrgresearchgroup.com

Lesley Duncan, PhD

Research Manager

T: 604-676-3994

E: lduncan@nrgresearchgroup.com

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Executive Summary

NRG Research Group conducted telephone interviews with 354 individuals for *KGHM International* between January 13th and January 15th, 2014. Similar studies were also conducted in February 2013 (Wave 3), April 2012 (Wave 2), and August 2011 (Wave 1). For the first three Waves of the survey, interviews were conducted among 385 individuals. All respondents are residents of the City of Kamloops. Data was weighted to reflect the age and gender of the population as well as the population distribution by the first three digits of their postal code (FSA). The primary purpose of the survey was to better understand Kamloops residents' impressions of the proposed mine in the area and track impressions as they change over time.

Below are key findings and recommendations of the study.

Key Findings

Knowledge of the project continues to grow within the community. Eight-in-ten respondents (79%) are closely following or have actively sought information about the project. The largest increase from the last wave is the higher proportion of residents "having actively sought information from sources other than the media" (34% up from 29% in 2013, 25% in 2012 and just 12% in 2011). The proportion of residents who have heard about the project but have not followed it closely (17%) is significantly down from the previous waves of the survey (26% in 2013).

Residents' opinions of the project continue to solidify. Overall, 78% of residents have some opinion about the project and nearly half (45%) state that they have formed a strong opinion that additional information will not change (a significant increase from 36% in Wave 3, 29% in Wave 2 and only 17% in Wave 1). The proportion of those waiting for more information continues to decrease, suggesting residents feel they are getting the information they need to inform their position.

The majority of residents are aware of efforts to provide project information. In fact, 85% of area residents are aware of efforts the company has made to provide information on the project to the community.

Newspaper, television and radio are the main sources of information distribution regarding the Ajax project. Traditional forms of advertising are still the leading sources information noted by almost half (46%) of respondents aware of efforts to provide information about the project. Open houses and Mail were mentioned by 29% each. There are significant age differences in two of the methods of communication, showing newspaper, television and radio is most frequently mentioned by those 55 and older, while those under 35 are more likely than their older counterparts to mention the Ajax website.

Approval ratings for the project have significantly increased. The largest increase was in the Completely Agree category (7 on the scale) which increased from 17% in 2013 to 28% in 2014. Four-in-ten residents (41%) approve of the mine (rate a 6 or 7 on a 7-point scale), which is up significantly from 30% in the previous wave.

Various environmental messages have a range of impacts on the project's approval rating. Messages about environmental standards tend to increase support for the project, while those about environmental risks are most likely to decrease support. Information on job creation and community tax benefits also increase support for the project.

Key Recommendations

- Leverage the high awareness and growing engagement levels Kamloops residents have with the proposed Ajax project to continue highlighting the benefits the project will offer to the community, such as employment information and economic growth, and emphasize the environment standards.
- Ensure that non-traditional media sources are up to date and have information on a wide range of subjects, so residents who actively seek information from sources outside the media are sourcing current and accurate information. Continue to leverage traditional media as the primary source of information about the project, understanding this is reaching the older demographic more than the younger.
- Continue to provide information on the environmental impact of the project to the community, particularly to address the questions and concerns of those who are still undecided on their opinion about the proposed mine. Make messages as concise as possible. Complicated positive environmental messages did not have the same influence on likelihood to support the project as did more straightforward ones. Breaking out a complicated message into 2 simple ones may increase the impact by making them more easily understood.

Background and Survey Objectives

Background Information

In January 2014, NRG Research Group was retained by KGHM International to conduct a public opinion survey. This survey was similar to the surveys conducted in February 2013, April 2012 and September 2011. The primary purpose of the survey was to better understand Kamloops residents' impressions of the proposed mine in the area and track impressions as they change over time.

Survey Objectives

The primary objectives of the survey were to:

- ✓ Assess the awareness levels of the proposed Ajax mine project;
- ✓ Understand how residents view the proposed Ajax mine;
- ✓ Gauge awareness of company efforts to provide information on the project to the community;
- ✓ Assess awareness of the methods used to provide information;
- ✓ Gauge approval of the proposed mine among area residents;
- ✓ Understand how specific statements influence support for the proposed project; and,
- ✓ Track changing impressions of the Ajax mine over time.

Note: Percentages marked in **blue font** are significantly higher in comparison to the compared proportion and those in **red font** are significantly lower.

Survey Methodology

Methodology

NRG Research Group conducted telephone interviews for *KGHM International* between January 13th and January 15th, 2014. Similar studies were also conducted in February 2013, April 2012, and August 2011. For all Waves of the survey, interviews were conducted among residents from the City of Kamloops. Waves 1, 2, and 3 had 385 completed surveys and an overall maximum margin of error of $\pm 5.0\%$ at the 95% level of confidence. Wave 4 had 354 completed surveys (fielding was shortened at KGHM’s request) with an overall maximum margin of error of $\pm 5.2\%$ at the 95% level of confidence. As this study is designed to track residents’ perceptions of the proposed mine project over time, key items on the survey instrument remained relatively similar to previous versions. The 2014 survey is available in Appendix 1.

Weighting Scheme

The survey was conducted among Kamloops residents who are aged 18 years or older using a random digital dial (RDD) sample source. Quotas were set to ensure that respondents represented the overall population base. To account for over-sampling of certain demographic groups, the results are weighted to reflect the population by age and gender according to the Census.

Census Population Distribution

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
14%	19%	16%	14%	20%	17%

Wave 4 Raw Survey Completes Distribution

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
9%	20%	20%	6%	25%	19%

Wave 4 Weights

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
1.47	0.94	0.86	1.75	0.83	0.94

Wave 4 Weighting by Postal Code

Additionally, in Wave 3 and 4, results were weighted according to the proportion of the Kamloops population falling into each of 5 regional postal codes. The tables below detail the weighting by postal code region:

Census Population Distribution

V1S	V2B	V2C	V2E	V2H
11%	42%	27%	15%	6%

Wave 4 Raw Survey Completes Distribution

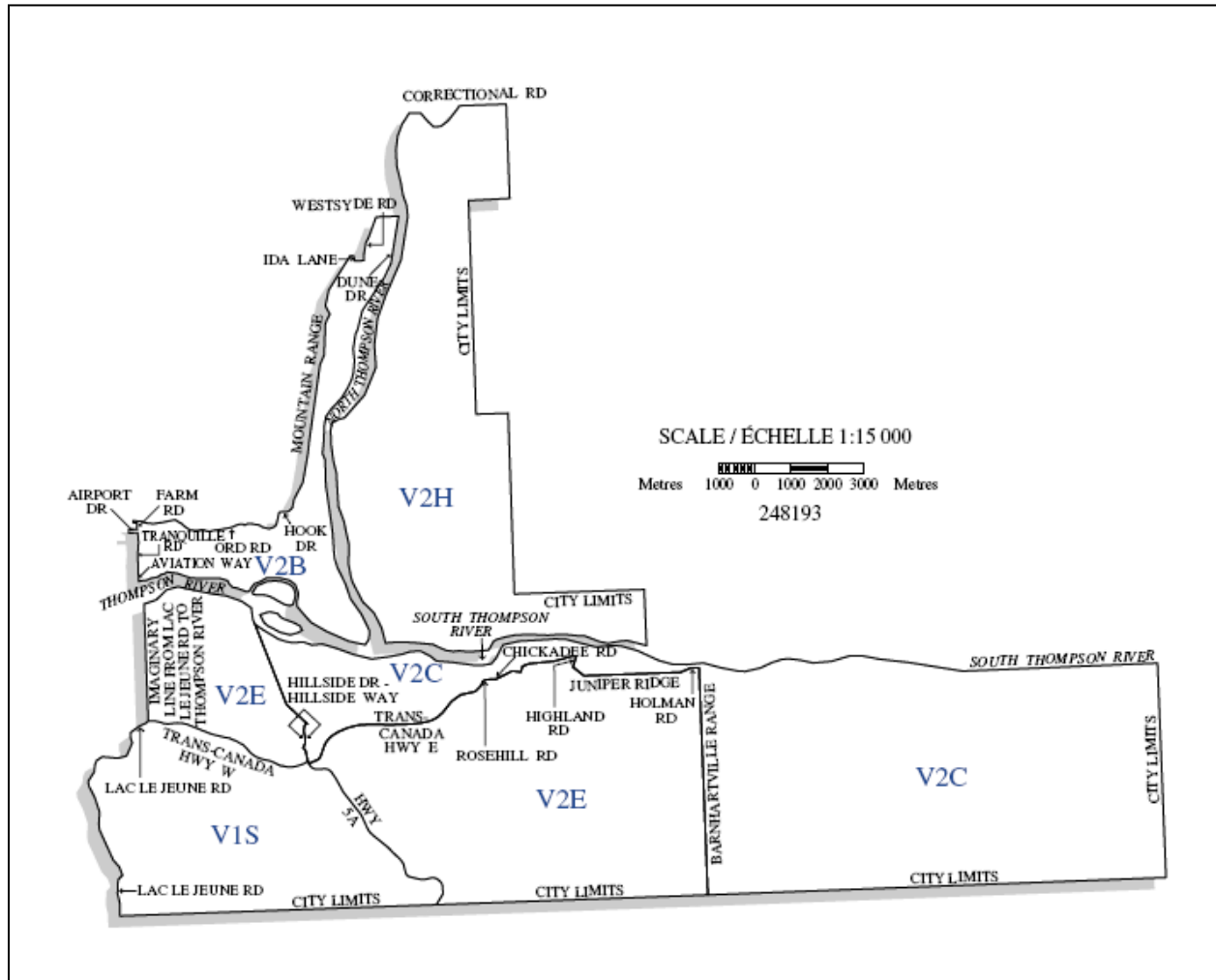
V1S	V2B	V2C	V2E	V2H
10%	34%	38%	12%	6%

Wave 4 Weights

V1S	V2B	V2C	V2E	V2H
1.08	1.21	0.71	1.18	1.10

The following Canada Post map was used to determine the areas which fall into each postal code, as summarized in the table below:

Region	Geographical Location	General areas of Kamloops within each postal code
V1S	South West	Aberdeen
V2B	North West	North Shore/Batchelor Heights/Westsyde/Brocklehurst/North Kamloops
V2C	Central and South East	Downtown/Southgate/West End/Barnhartvale/Campbell Creek/Dallas/South Kamloops
V2E	Central West and Central South	Sahali/Rosehill/Juniper Ridge/Knutsford/Valleyview
V2H	North East	Sun Rivers/Rayleigh



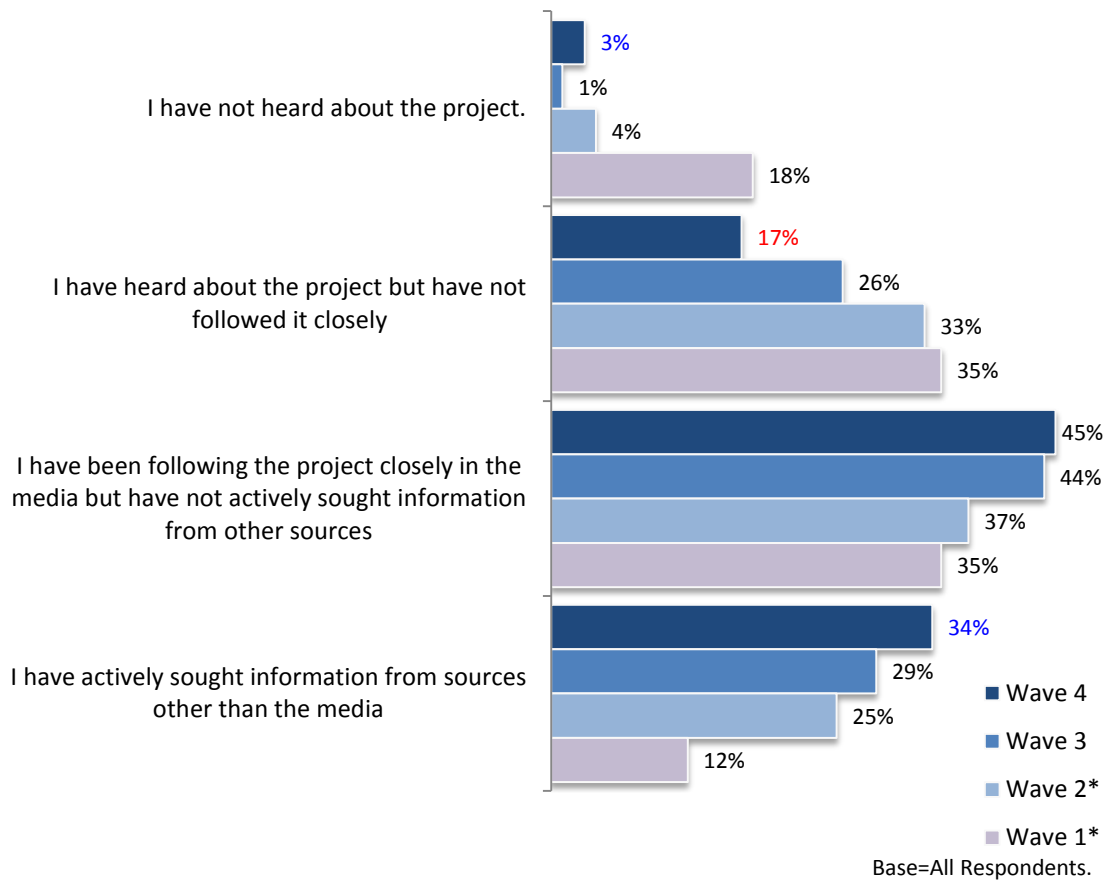
Source: Canada Post, 2001. Kamloops Urban FSA's.

Survey Results

Perception of self-knowledge regarding the Ajax mine

- In Wave 4, close to half (45%) of all residents note they have been following the project closely in the media, while a third (34%) have actively sought information from sources outside of the media. The proportion of residents who say they have heard about, but not followed the project closely continues to drop significantly. This wave showed an increase in those not aware of the project to 2012 levels.
- Residents living in Central West and Central South (V2E, 58%) are significantly more likely to have actively sought information about the project than those living in other areas of the city. This differs from the previous Wave in which residents in the South West (Aberdeen, V1S) and Central/South East (V2C) were most likely to have actively sought information about the project.

Q1. Which of the following statements best describes how well informed you are about the Ajax project?

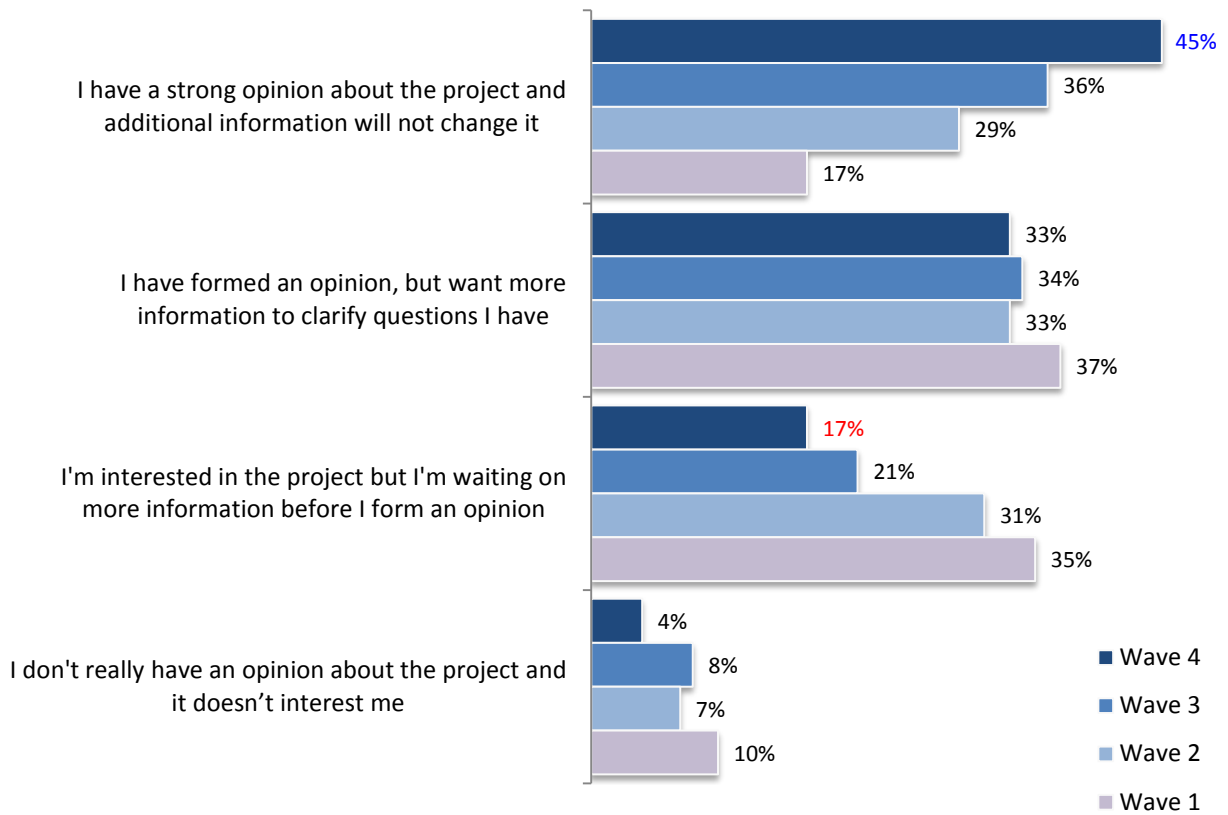


* For comparability with Wave 3 and 4, Wave 1 and 2 results were re-proportioned to incorporate respondents who were not aware of the Ajax project.

Opinion regarding the Ajax mine project

- Kamloops residents are continuing to form increasingly strong opinions about the Ajax project over time. In fact, a significantly greater proportion now say they have formed a strong opinion that additional information will not change (from 17% in Wave 1, to 45% in Wave 4). We observe a corresponding decrease in the proportion who are waiting for more information before forming an opinion (from 35% in Wave 1 to 17% in Wave 4). Overall, 78% of residents have some opinion about the project.
- The proportion of residents who have an opinion but are still seeking clarification remains relatively consistent over time at one third of respondents.

Q2. Please indicate which of the following statements best reflects your opinion on the Ajax project?

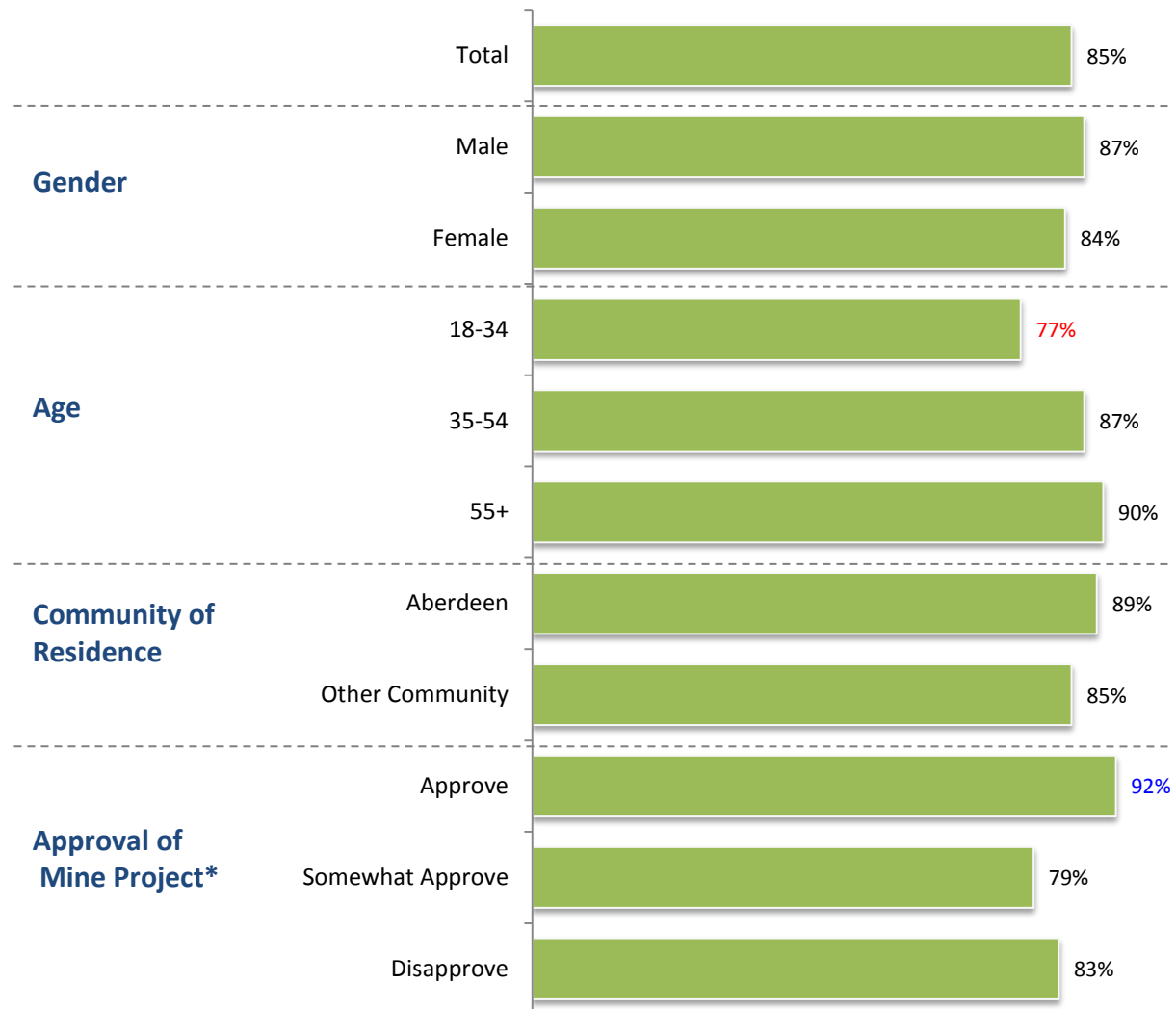


Base: Aware of Ajax project.
Wave 4, n=343, Wave 3, n = 378. Wave 2, n=372. Wave 1, n=323.

Awareness of company efforts to provide information to the community

- Over eight-in-ten (85%) Kamloops residents are aware of efforts the company has made to provide information on the project to the community.
- Those who are 35 years or older, as well as those who completely approve of the proposed project, are significantly more likely to be aware of the efforts KGHM International has made to provide information about the project to the community.

Q3. Are you aware of any efforts the company has made to provide information on the project to the community?
(% stating 'yes')



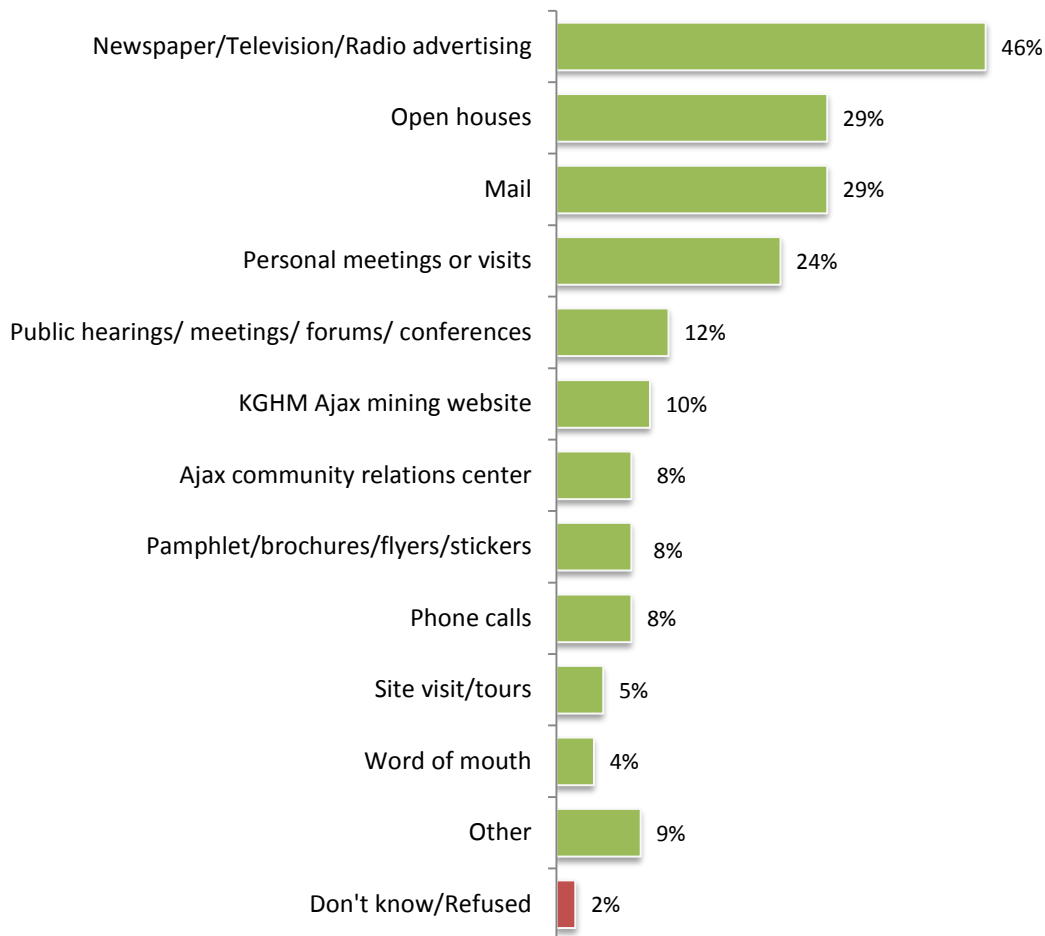
Base: Those who are aware of the project. n=343.

*Approval of mine project categories are based on scores on a 7 point project approval scale where 1 is Completely Disapprove and 7 is Completely Approve. *Approve* rated 6 or 7, *Somewhat Approve* rated 4 or 5 and *Disapprove* rated 1, 2 or 3. To interpret, 92% of those who Approve of the project are aware of efforts made to provide information.

Awareness of specific efforts to provide information to the community

- Among the 85% of residents aware of efforts to provide information on the project, newspaper/television/radio advertising (46%) is the most frequently mentioned method of providing information. Open houses (29%) and Mail (29%) round out the top three with almost a third of respondents mentioning them. are the sources of information most commonly mentioned.
- Those under the age of 35 are more likely to mention the Ajax website (26%) than their older counterparts, while those 55 years of age and older are more likely to mention traditional media advertisements in newspapers, television, and radio (59%).

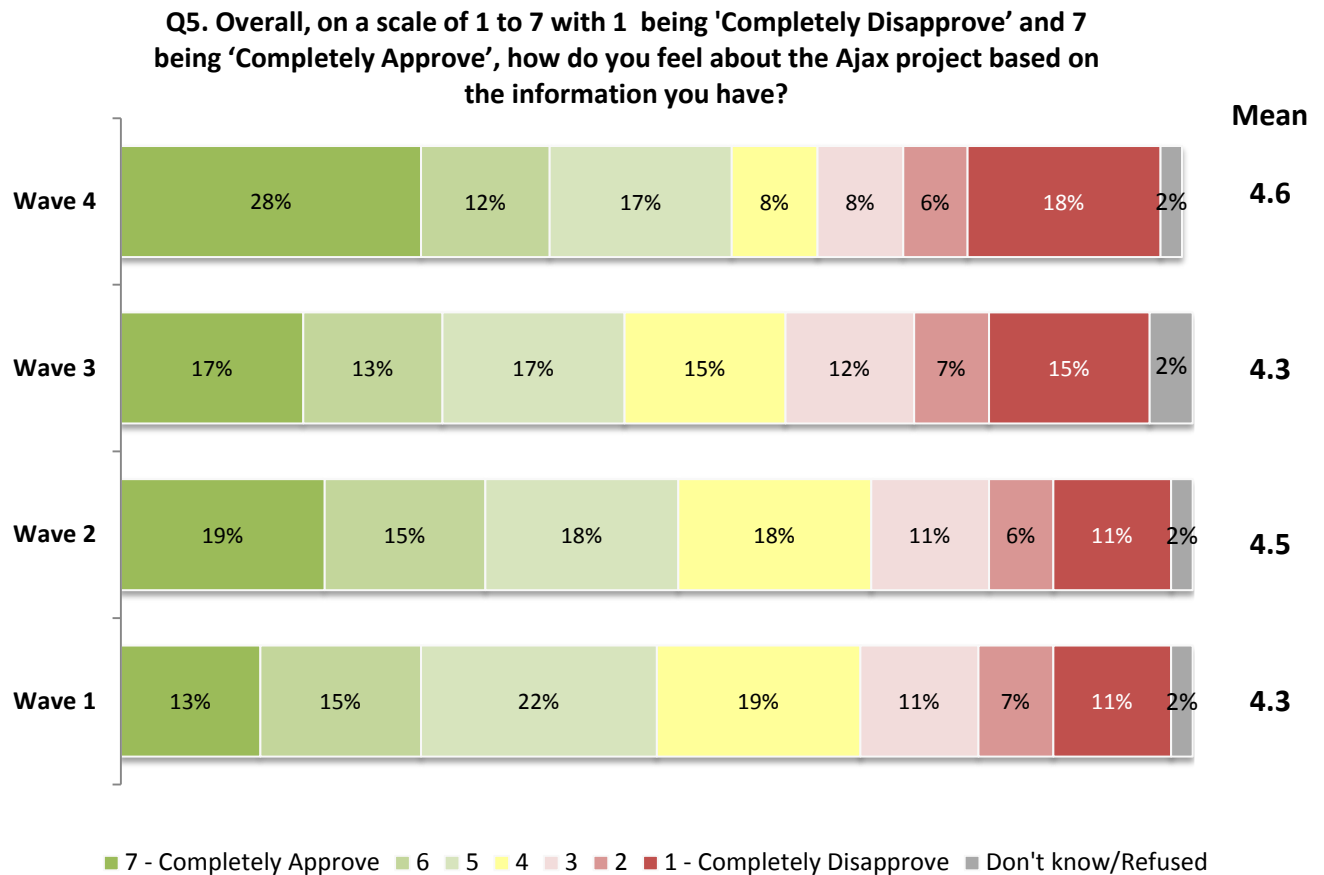
Q4. What efforts are you aware of that the company has made to provide information about the project?
(Multiple Response)



Base: Those who are aware of efforts the company has made to provide information, n=298.

Support for the proposed Ajax mine project

- In Wave 4, four-in-ten (41%) of area residents approve (rate 6 or 7 out of 7) the proposed Ajax mine project. This result is significantly higher than the total approval levels seen in the past three surveys.
- Those who live in Aberdeen are significantly more likely to disapprove than are those who live in other neighbourhoods (51% versus 29% rating 1-3 out of 7).

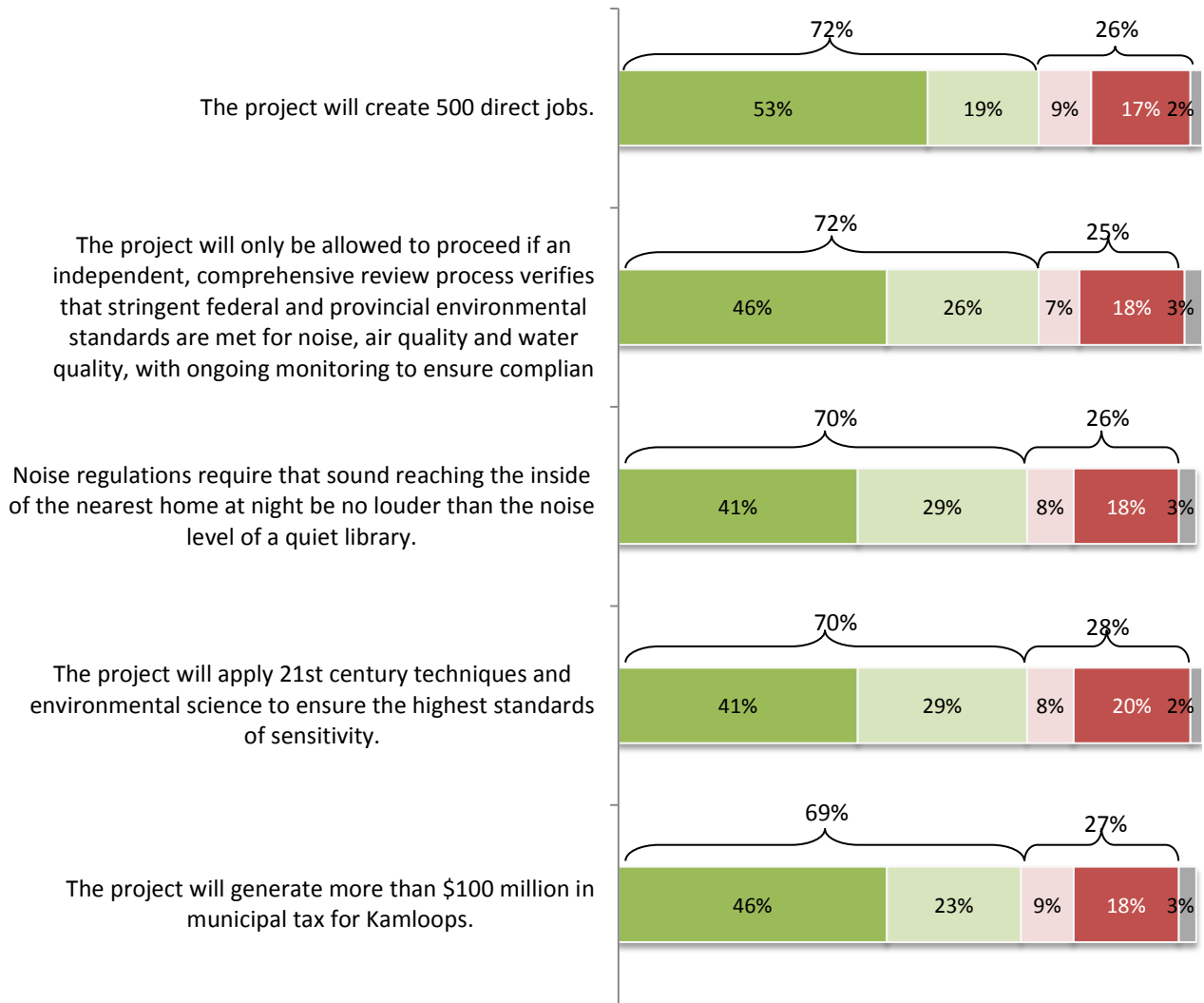


Base: Wave 1, Wave 2, and Wave 3, n=385. Wave 4, n=354.

Top five statements that increase support for the Ajax project

- Job creation (72%) and stringent environmental standards (72% for independent monitoring) are the top two items that increased the likelihood of supporting the Ajax mine project. Along the same lines, 70% feel that the use of 21st century techniques would increase their support.

Q6. For each statement, please tell me if it makes you more likely or less likely to support the project. Would that be strongly or somewhat?



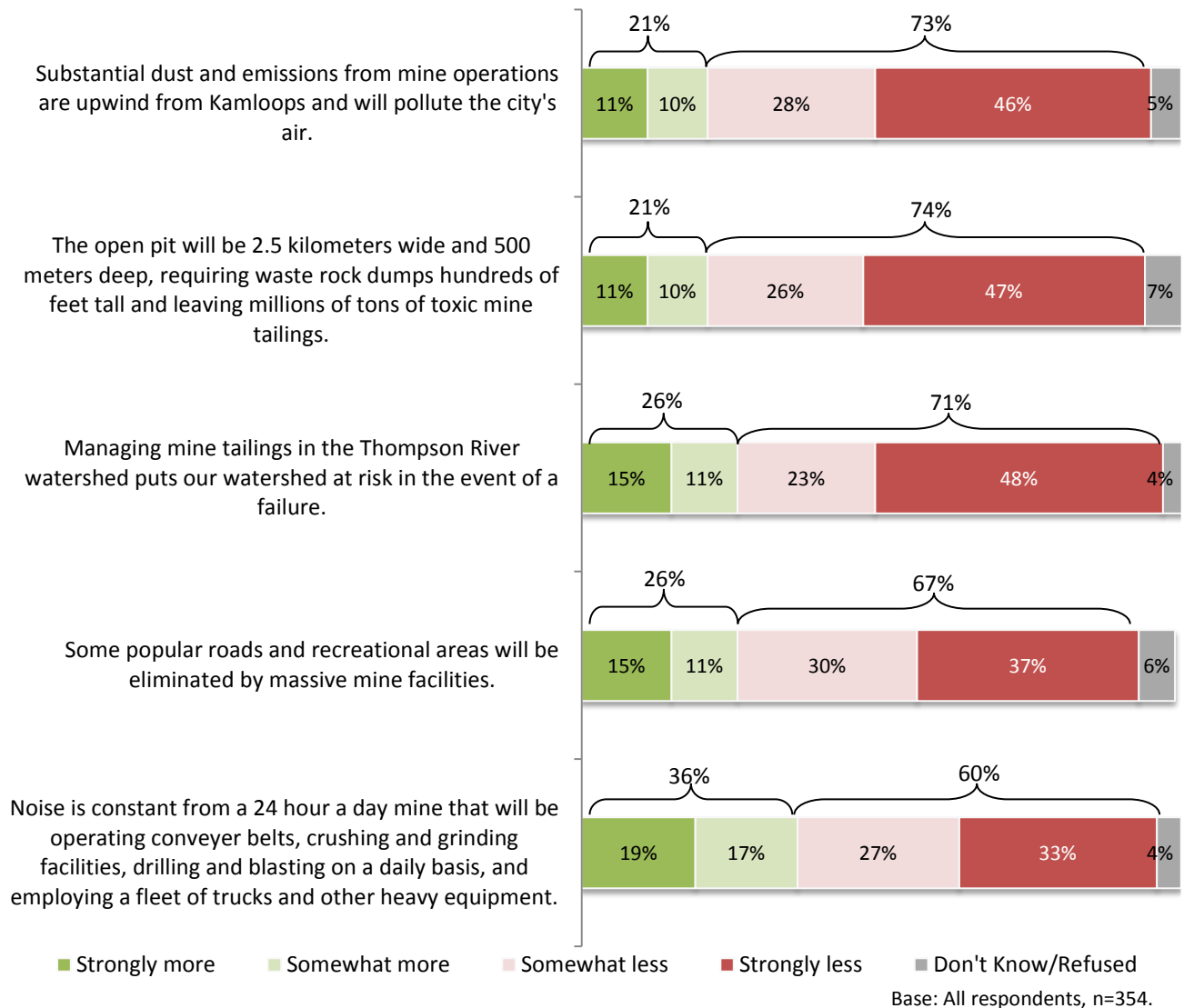
■ Strongly more ■ Somewhat more ■ Somewhat less ■ Strongly less ■ Don't Know/Refused

Base: All respondents, n=354.

Top five statements that decrease support for the Ajax project

- Not surprisingly, environmental concerns make up the top three reasons for decreased support for the Ajax mine project. Concerns with air pollution (75% decreased support), toxic tailing (72% decreased support) and watershed contamination (70% decreased support) top the list.
- Negative effects on the community also decrease support.

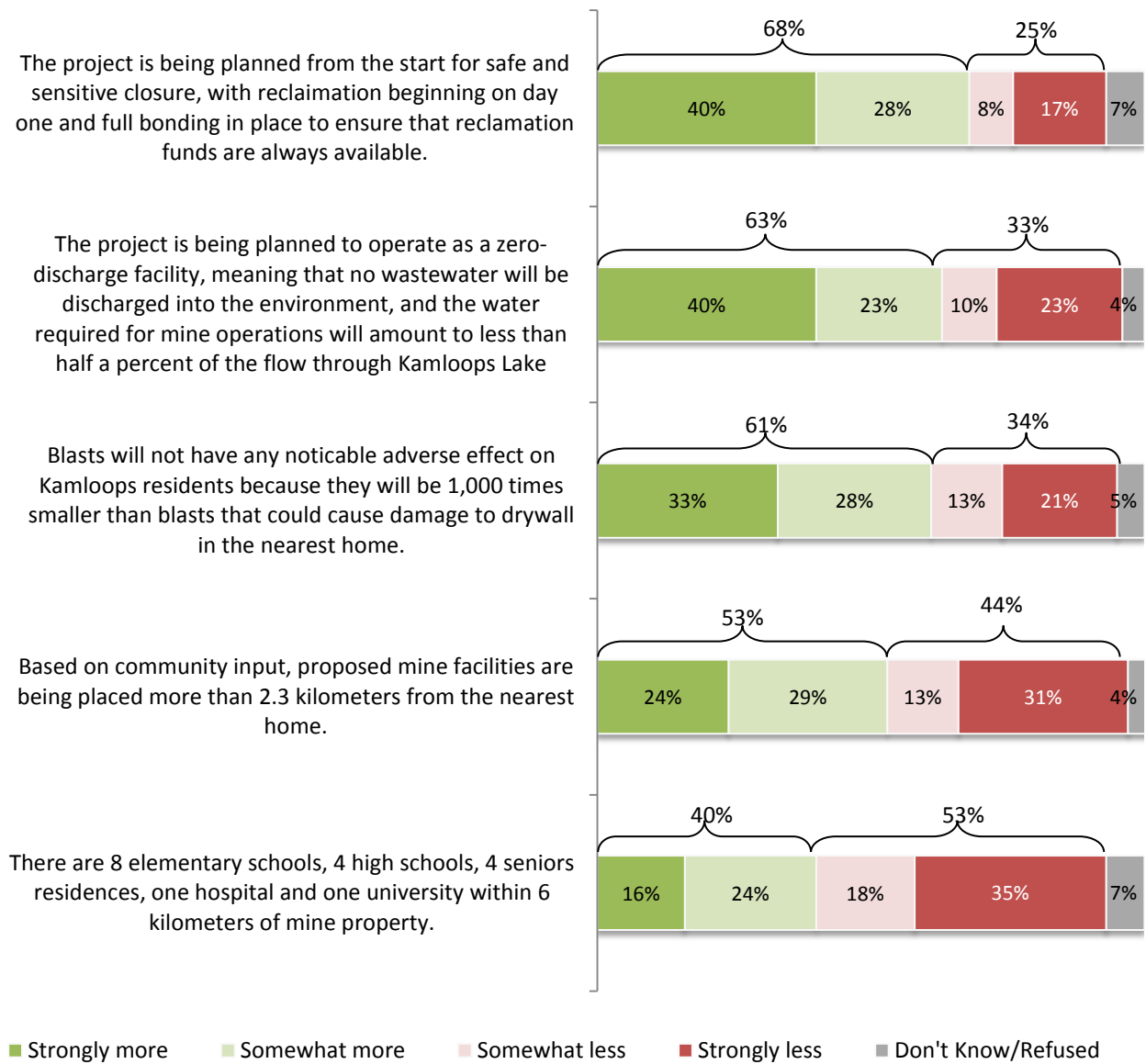
Q6. For each statement, please tell me if it makes you more likely or less likely to support the project. Would that be strongly or somewhat?



Relatively neutral statements for the Ajax project

- Positive environmental statements that were more complicated either due to more than one topic (e.g. closure plan and financing for it) or technical specifications (e.g. less than half of one percent of flow at low levels) were somewhat lower on the likelihood to support than might be expected. It is possible that the message was not being clearly communicated in these cases. These appeared to still have a net positive impact.
- Proximity statements are also relatively neutral when it comes to position of the proposed mine.

Q6. For each statement, please tell me if it makes you more likely or less likely to support the project. Would that be strongly or somewhat?

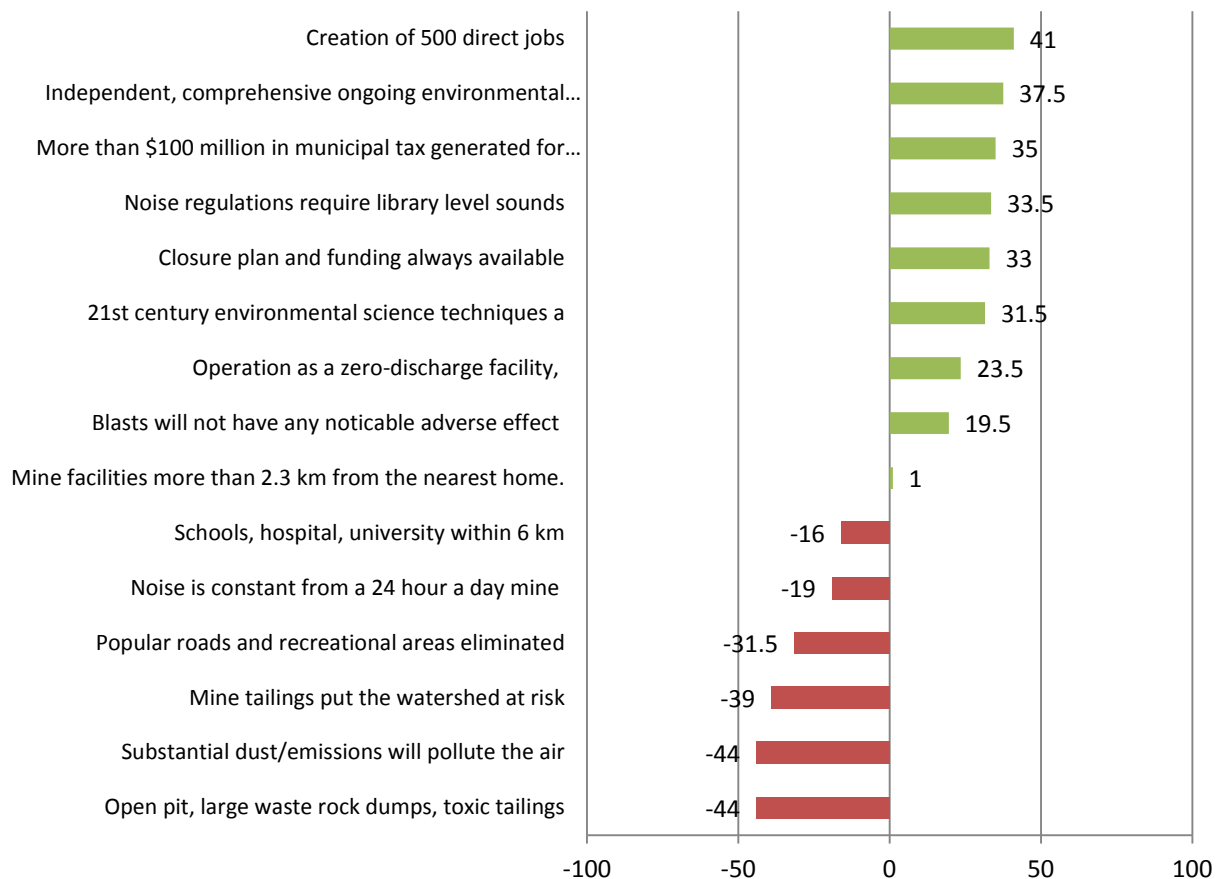


Base: All respondents, n=354.

Net effect of information on likelihood to support the project

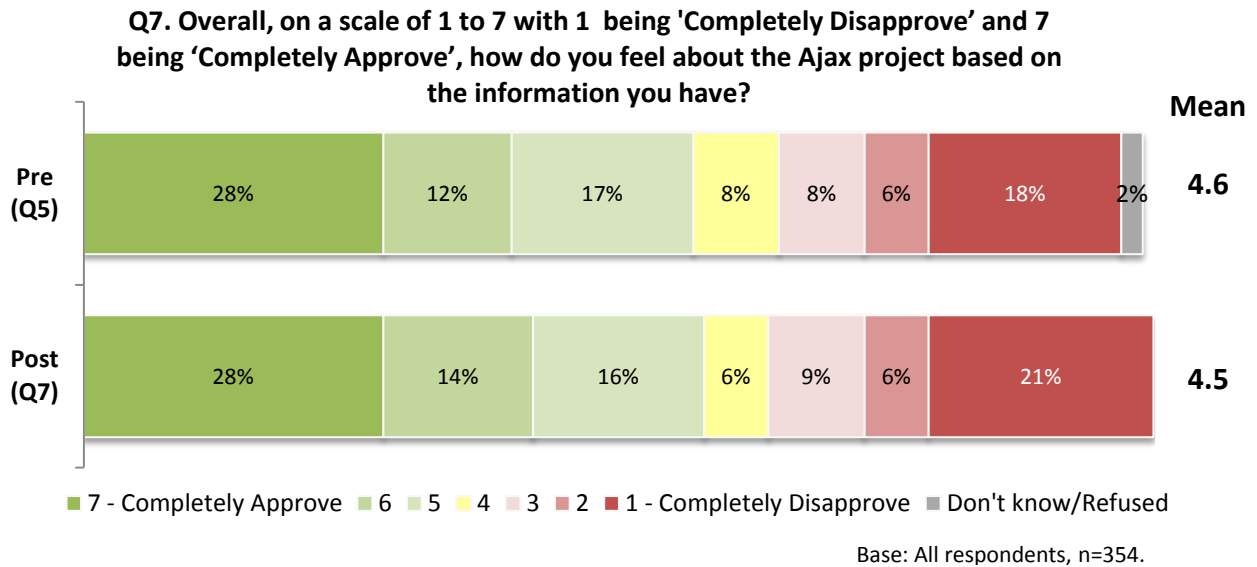
- The weighted net scores provide an index of the magnitude and direction the statement has on the likelihood to support the project. 100 is the maximum score, equivalent to the statement being highly likely to increase support. -100 is the minimum score, equivalent to being highly likely to decrease support. A score of 0 indicates that the information had no overall effect on position either way.
- Consistent with the charts above, statements about job creation, strong environmental standards and municipal tax benefits have the largest effect on increasing likelihood to support the project.
- Statements regarding negative environmental consequences decrease likelihood to support the project to the same degree that positive environmental messages increase likelihood of support.

Q6. Weighted Net Scores

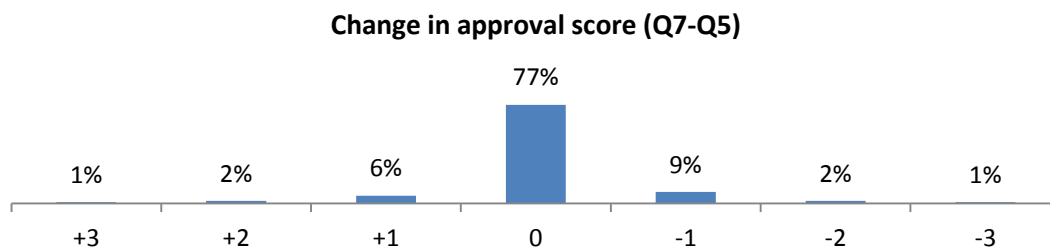


Effect of information on support for the project

- After listening to the 15 statements about the mine, respondents were asked again about the extent to which they approve of the project.
- In Q7, 43% of area residents approve (rate 6 or 7 out of 7) the proposed Ajax mine project. This result is anecdotally (not significantly) higher than the 41% approval in Q5. The disapproval rating was 35% in Q7, compared to 31% in Q5, suggesting raising awareness of possible negative impacts is likely to sway opinions.



- Of those who approved the project in Q5 (rate 6 or 7 out of 7), 94% continued to approve, 6% moved to the approved somewhat category and 1% disapproved.
- Of those who somewhat approved in Q5 (rate 4 or 5 out of 7), 63% maintained their position, 18% approved more strongly and 12% disapproved in Q7.
- Of those who disapproved In Q5 (rate 1-3 out of 7), 96% maintained their position, 4% moved to somewhat approve.
- In total, 77% of respondents did not change in their approval after hearing all the comments.



Summary

- Just under half (45%) of residents have been following the project closely in the media but have not actively sought information from other sources. Three-in-ten (34%) have actively sought information from sources other than the media, while more than one-in-four (17%) have heard about the project but have not followed it closely. Significantly fewer residents have heard, but not followed the project closely, or have not heard about the project than in previous waves of the survey.
- Kamloops residents are forming increasingly strong opinions about the Ajax project. In fact, a significantly greater proportion have formed a strong opinion that additional information will not change than in previous survey waves. Overall, 78% of residents have some opinion about the project.
- Over eight-in-ten (85%) of area residents are aware of efforts the company has made to provide information on the project to the community.
- Newspaper/television/radio advertising (46%) and open houses (29%) are company efforts to provide information that residents are most aware of.
- Project approval ratings are up significantly from previous waves. Four-in-ten (41%) area residents approve (rate 6 or 7 out of 7) of the proposed Ajax mine project, up from 30% in 2013.

Demographics

Area of Kamloops	Approve of Ajax project	Somewhat Approve of Ajax project	Disapprove of Ajax project	TOTAL (n=354)
	6 or 7 rating on a 7 point scale (n=145)	4 or 5 rating on a 7 point scale (n=88)	1-3 rating on a 7 point scale (n=112)	
Bachelor Heights	3%	10%	2%	5%
North Kamloops	15%	17%	15%	16%
South Kamloops	7%	4%	12%	8%
Aberdeen	11%	6%	21%	13%
Barnhartvale	3%	5%	5%	4%
Brocklehurst	12%	14%	5%	11%
Campbell Creek	1%	1%	-	1%
Dallas	2%	3%	1%	2%
Dufferin	2%	2%	2%	2%
Knutsford	<1%	-	3%	1%
Pineview	1%	1%	-	1%
Sahali	6%	9%	19%	11%
Raleigh	5%	5%	2%	4%
Rosehill	<1%	-	1%	<1%
Valleyview	2%	4%	3%	2%
Downtown	1%	1%	-	1%
Westside	14%	10%	5%	10%
Juniper	6%	2%	1%	3%
Other	8%	4%	5%	6%
Refused	1%	-	-	<1%

KGHM

INTERNATIONAL

PR Associates - KGHM International Perception Audit 2013

February 20th, 2013

Prepared by:



NRG Research Group

Andrea O'Brien

Research Manager

T: 604-676-3989

E: aobrien@nrgresearchgroup.com

Liddie Sorensen-Lawrence, MBA

Senior Vice President

T: 604-676-5649

E: ls@nrgresearchgroup.com

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Background and Survey Objectives

Background Information

In February 2013, NRG Research Group was retained by PR Associates to conduct a public opinion survey on behalf of KGHM International. This was similar to the surveys conducted in April 2012 and September 2011. The primary purpose of the survey was to better understand Kamloops residents' impressions of the proposed mine in the area and track impressions as they change over time.

Survey Objectives

The primary objectives of the survey were to:

- ✓ Assess the awareness levels of the proposed Ajax mine project;
- ✓ Understand how residents view mining in general, and the proposed Ajax mine in particular;
- ✓ Identify which information sources residents currently use to learn about the proposed Ajax mine;
- ✓ Gauge awareness of company efforts to provide information on the project to the community;
- ✓ Assess awareness of the name of the company operating the project;
- ✓ Gauge approval of the proposed mine among area residents;
- ✓ Understand the key questions residents have about the proposed project and,
- ✓ Track changing impressions of the Ajax mine over time.

Note: Percentages marked in **blue font** are significantly higher in comparison to the compared proportion and those in **red font** are significantly lower.

Survey Methodology

Methodology

NRG Research Group conducted telephone interviews for *KGHM International* between February 5th and February 10th, 2013. Similar studies were also conducted in April 2012 and August 2011. For all three waves of the survey, interviews were conducted among 385 residents from the City of Kamloops. As this study is designed to track residents' perceptions of the proposed mine project over time, the survey instrument remained relatively similar to 2012, and is available in Appendix 1. Each wave of results carries an overall maximum margin of error of $\pm 5.0\%$ at the 95% level of confidence.

Weighting Scheme

The survey was conducted among Kamloops residents who are aged 18 years or older using a random digital dial (RDD) sample source. Quotas were set to ensure that respondents represented the overall population base. To account for over-sampling of certain demographic groups, the results are weighted to reflect the population by age and gender according to the Census.

Census Population Distribution

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
14%	19%	16%	14%	20%	17%

Wave 3 Raw Survey Competes Distribution

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
10%	17%	20%	8%	27%	18%

Wave 3 Weights

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
1.33	1.08	0.78	1.86	0.75	0.99

Wave 3 Weighting by Postal Code

Additionally, in wave 3, results were weighted according to the proportion of the Kamloops population falling into each of 5 regional postal codes. The tables below detail the weighting by postal code region:

Census Population Distribution

V1S	V2B	V2C	V2E	V2H
11%	42%	27%	15%	6%

Wave 3 Raw Survey Competes Distribution

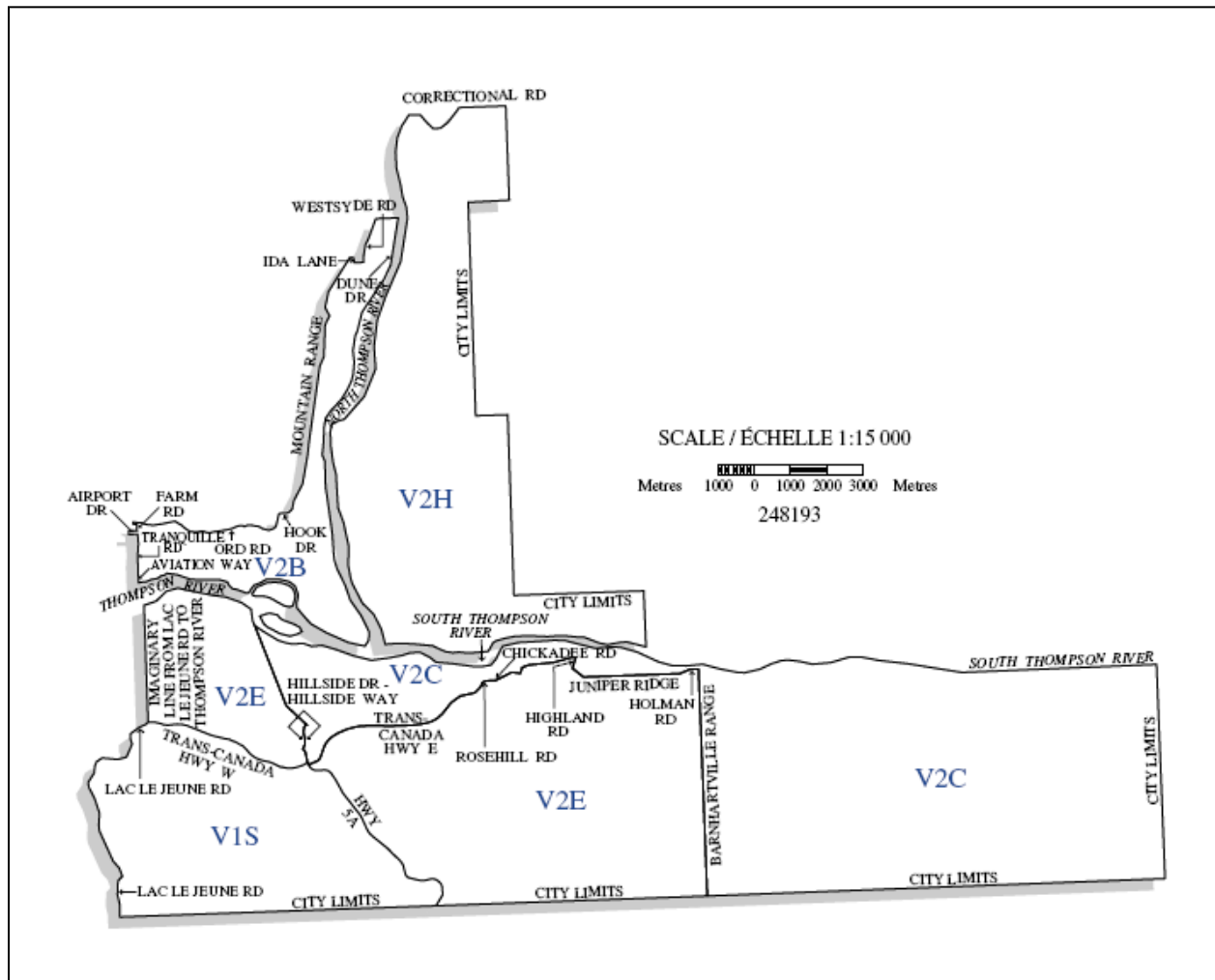
V1S	V2B	V2C	V2E	V2H
10%	36%	40%	11%	4%

Wave 3 Weights

V1S	V2B	V2C	V2E	V2H
1.10	1.18	0.67	1.36	1.63

The following Canada Post map was used to determine the areas which fall into each postal code, which is summarized in the table below:

Region	Geographical Location	General areas of Kamloops within each postal code
V1S	South West	Aberdeen
V2B	North West	North Shore/Batchelor Heights/Westsyde/Brocklehurst/North Kamloops
V2C	Central and South East	Downtown/Southgate/West End/Barnhartvale/Campbell Creek/Dallas/South Kamloops
V2E	Central West and Central South	Sahali/Rosehill/Juniper Ridge/Knutsford/Valleyview
V2H	North East	Sun Rivers/Rayleigh



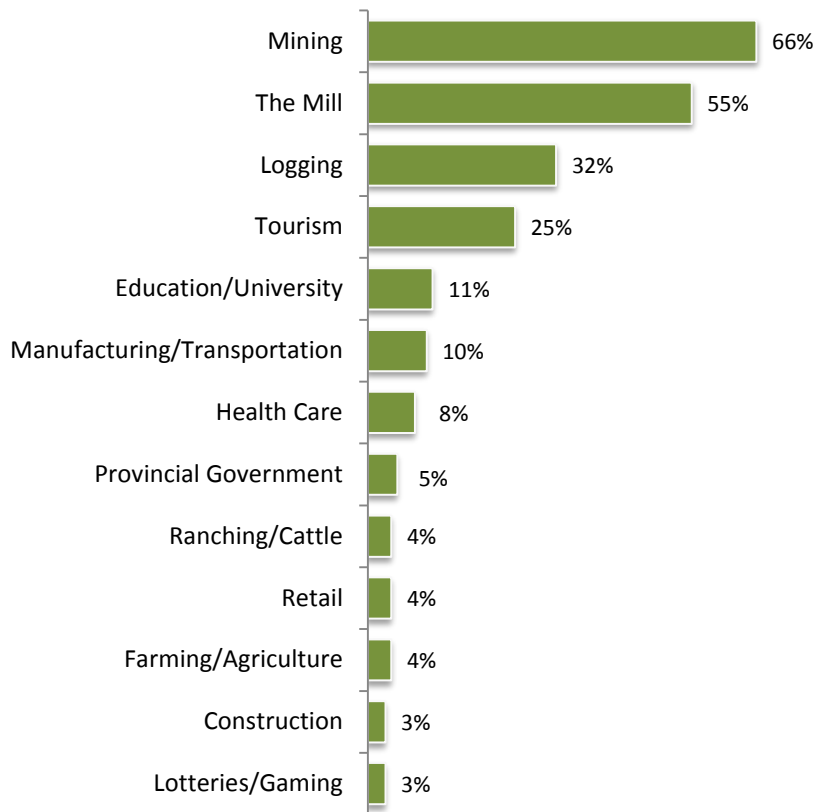
Source: CanadaPost, 2001. Kamloops Urban FSA's.

Survey Results

Industries that Contribute to Local Economy

- ‘Mining’ and ‘The Mill’ (pulp, paper, lumber, etc.) are the most commonly mentioned contributors to the local economy, as noted by 66% and 55% of respondents respectively. These were followed by Logging at 32% and Tourism at 25%.
- Male residents (74% vs. 59% female), those who somewhat or completely approve of the Ajax project (67% somewhat, 80% completely approve vs. 53% disapprove) are the most likely to mention mining as an important industry. While opinions do not differ by education level for the top three industries, university educated residents are more likely to consider several other industries to be important contributors to the local economy, including the tourism, education, health care, provincial government and retail industries than their trade/high school educated counterparts.

Q1. What industries contribute most to your local economy?
(Multiple Response. Wave 3 Only)

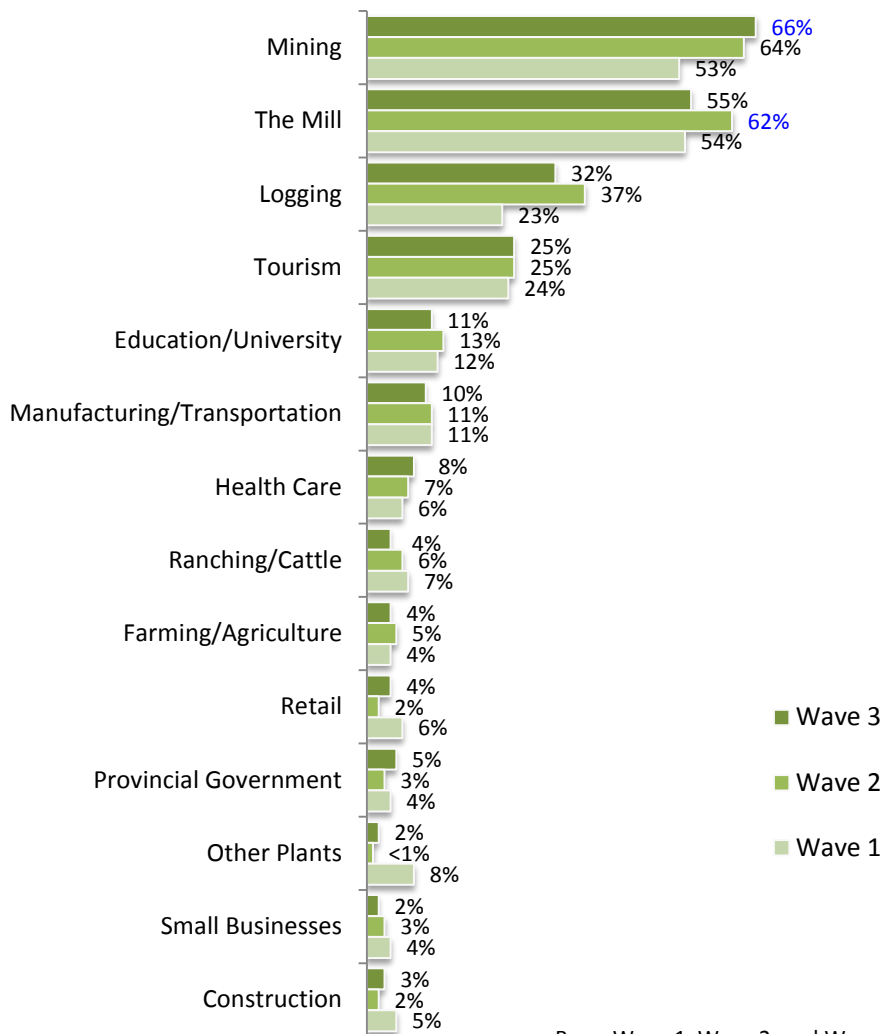


Base=Wave 3 respondents, n=385.
Note: Only responses over 2% are shown.

Industries that Contribute to Local Economy - (by survey wave)

- The mining industry has maintained its heightened position as a key industry in Kamloops, after increasing significantly from wave 1 to wave 2. Two-thirds (66%) of residents now agree that mining is a key contributor to the local economy.
- Over half (55%) of residents note that ‘the mill’ is important to local industry, returning to levels seen in wave 1 (2011). Logging continues to be mentioned as the third-most important contributor to the Kamloops economy.

Q1. What industries contribute most to your local economy?
(Multiple Response)

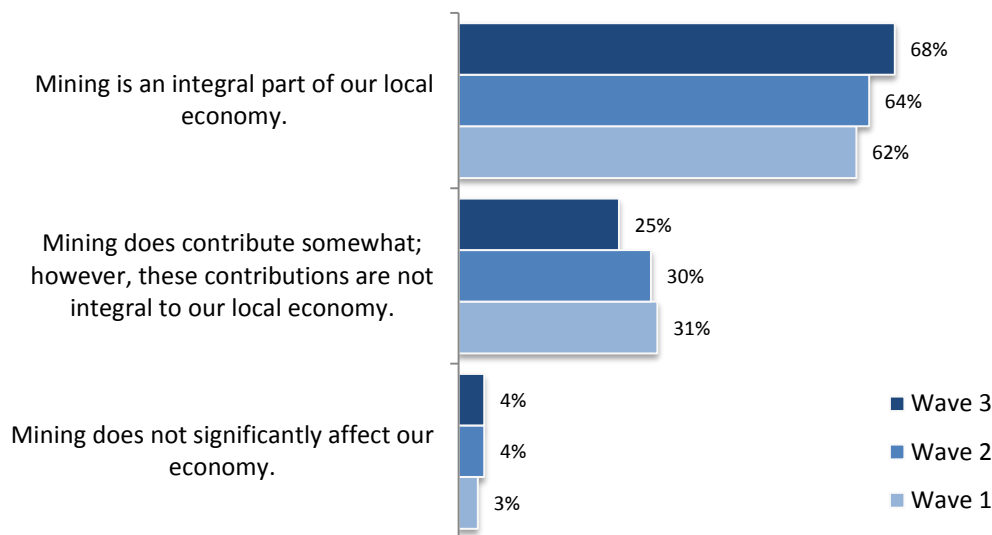


Base: Wave 1, Wave 2, and Wave 3, n=385.
Note: Only responses over 2% are shown.

The Mining Industry’s Impact on the Economy

- At a total level, we observe a continued increasing trend in Kamloops residents’ agreement that mining is an integral part of the local economy (from 62% in wave 1 to 68% in wave 3).
- In line with previous surveys, those who approve of the mining project are more likely to believe mining is integral to the local economy than those who disapprove of it (95% completely approve, 76% somewhat approve, 40% disapprove). When examining opinions based on age groups, opinions of the mining industry’s current impact on the economy have also remained fairly consistent with previous waves.

Q2. Which of the following statements best describes how you feel about the mining industry’s current impact on your local economy in the way of jobs, taxes, or other contributions?

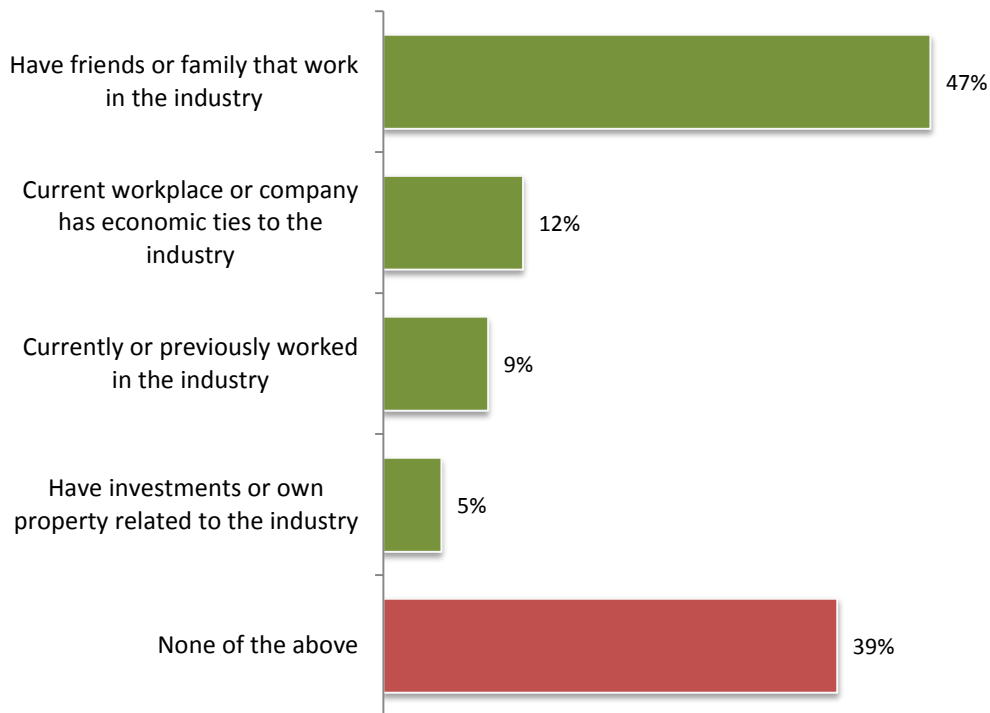


Base: Wave 1 , Wave 2 and Wave 3, n=385.

Connections with Mining

- Over six in ten (61%) area residents have some connection to the mining industry. These connections are most often through friends or family who work in the industry (47%). Just one in ten (9%) say they currently or have previously worked in the industry.
- Eight times as many males as females currently/previously work in the industry (16% vs. 2%). Respondents aged 18 to 34 (76%) and 35 to 54 (66%) are more likely to have connections to the industry than their counterparts aged 55 plus (44%).

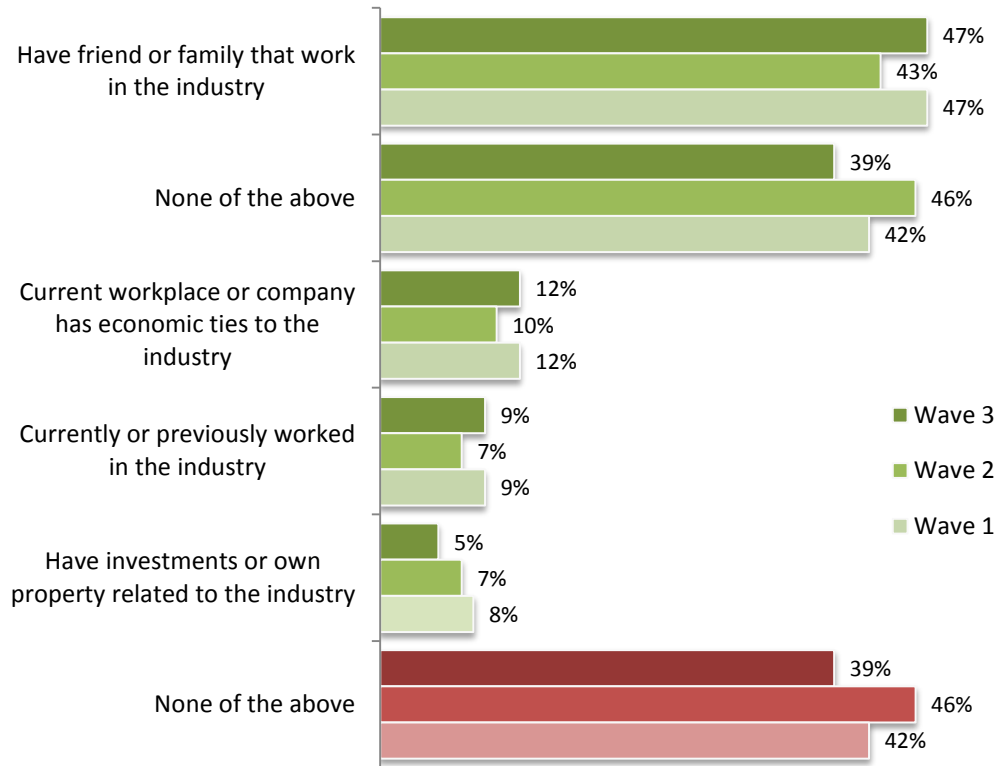
Q3. Which of the following connections, if any, do you have with the mining industry?
(Multiple Response)



Base: Wave 3, n=385.

- There is a similar profile of respondent connections to the mining industry across all three waves of the survey.

Q3. Which of the following connections, if any, do you have with the mining industry?
(Multiple Response)

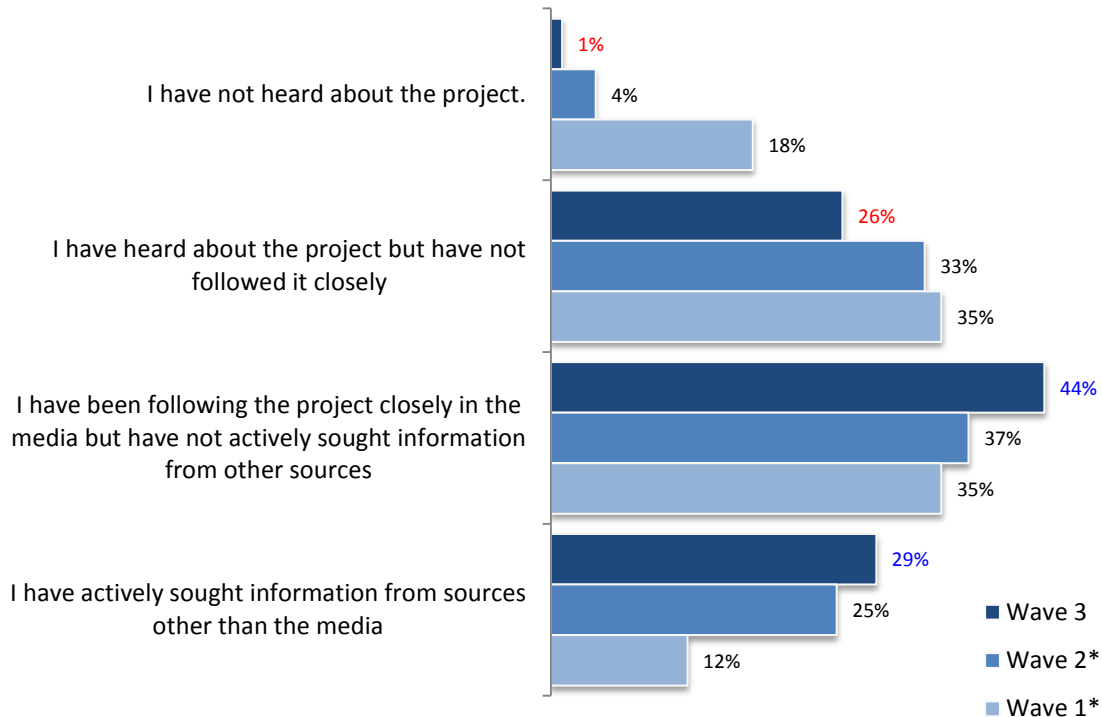


Base: Wave 1, Wave 2, and Wave 3, n=385.

Perception of self-knowledge regarding the Ajax mine

- In wave 3, close to half (44%) of all residents note they have been following the project closely in the media, while a further 29% have actively sought information from sources outside of the media. Significantly fewer residents are now saying they have heard, but not followed the project closely, or have not heard about the project than in previous surveys.
- Residents living in South West (V1S, 49%) and Central/South East Kamloops (V2C, 36%) are significantly more likely to have actively sought information about the project than those living in other areas of the city.

Q4. Which of the following statements best describes how well informed you are about the Ajax project?



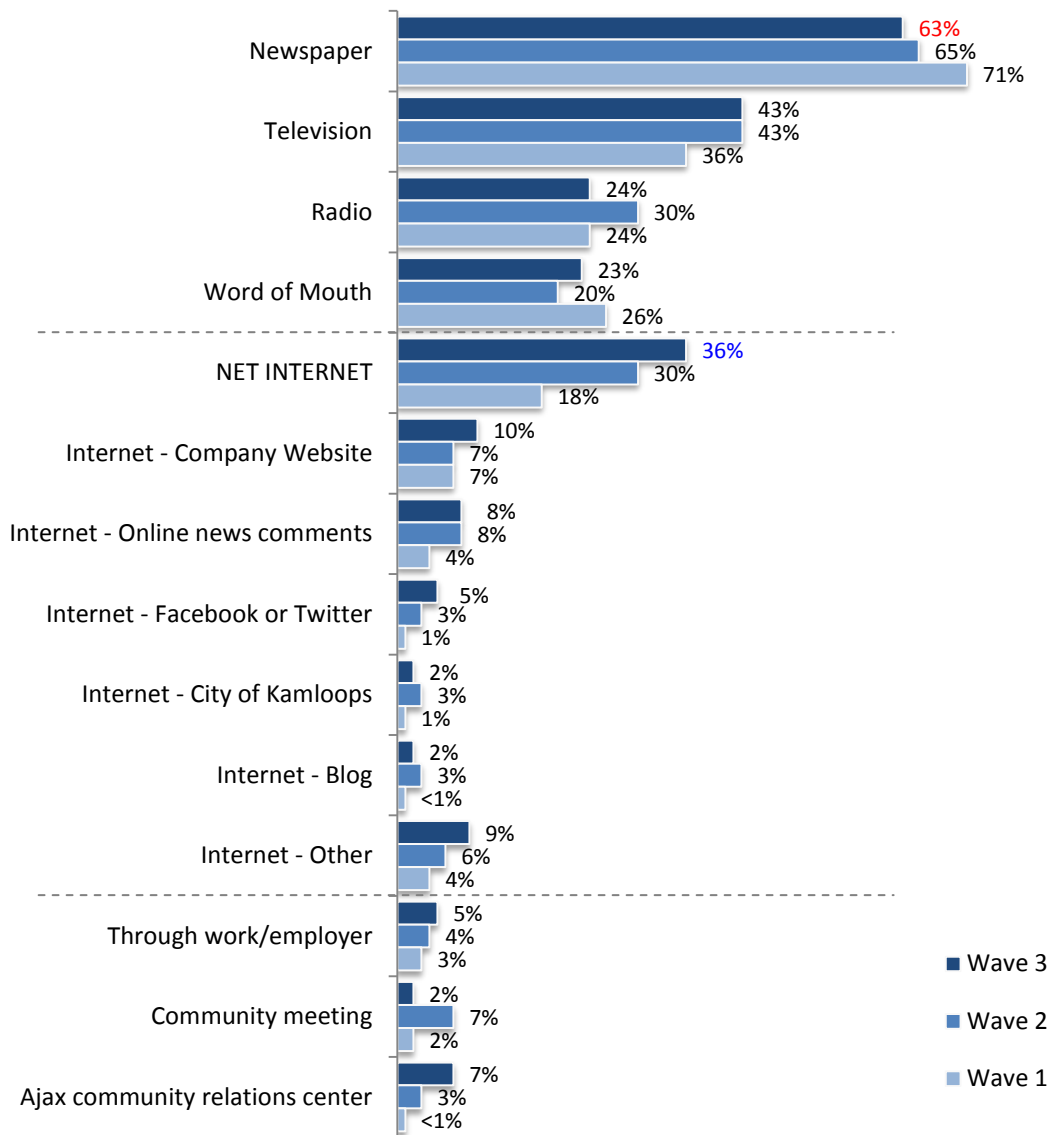
Base=Respondents aware of the Ajax project.
Wave 1 Wave 2 and Wave 3 n=385

* For comparability with Wave 3, Wave 1 and 2 results have been reweighted to incorporate respondents who were not aware of the Ajax project.

Sources of information about the proposed project

- Traditional media continues to be the main source of information for knowledge of the Ajax project: newspaper (63%), television (43%), and radio (24%). While newspaper remains the leading information source by a large margin, usage is trending downwards, from 71% in wave 1 to 63% in wave 3.
- The internet is increasingly being used as an information source about the project, doubling from 18% in 2011 to 36% in 2013.

Q5. What, if any, sources of information have contributed to your knowledge of the Ajax project? (Multiple Response)

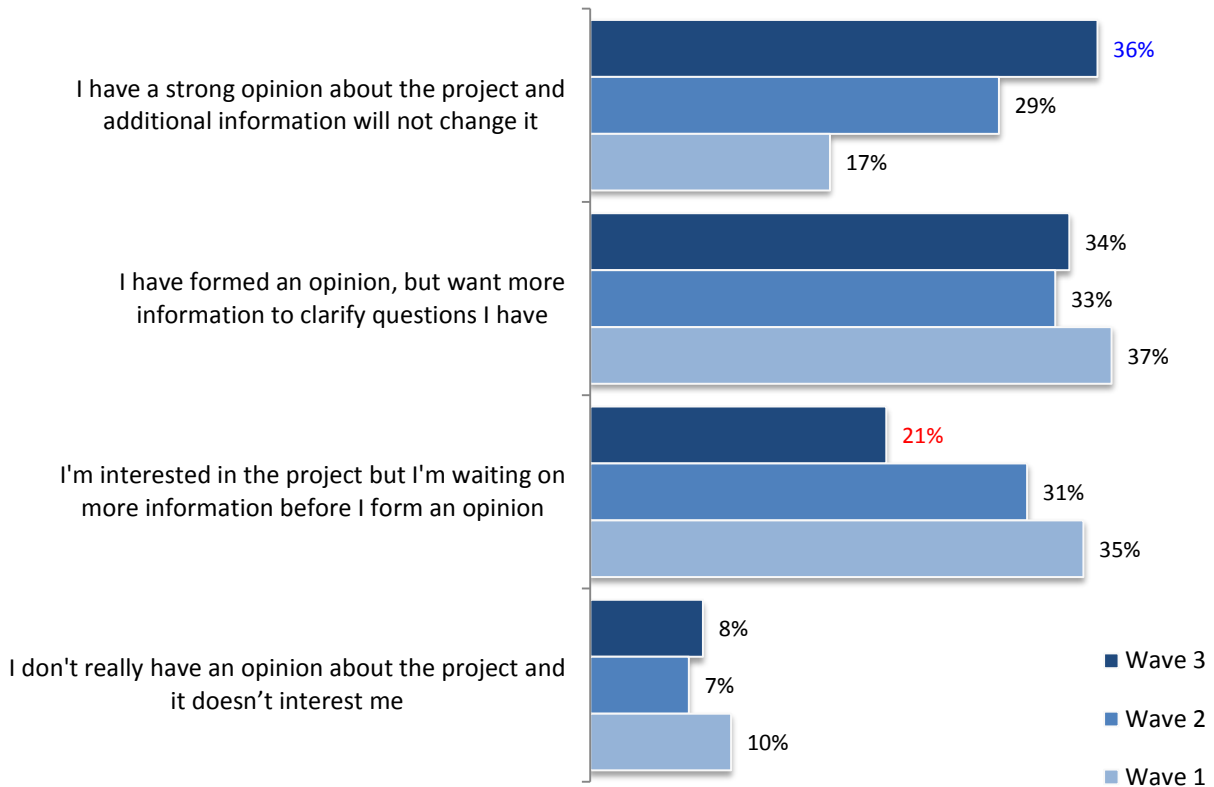


Base: Aware of Ajax project. Wave 1 n=314, Wave 2 n=370, and Wave 3 n=378.

Opinion regarding the Ajax mine project

- Kamloops residents are forming increasingly strong opinions about the Ajax project over time. In fact, a significantly greater proportion now say that they have formed a strong opinion that additional information will not change (from 17% in wave 1, to 36% in wave 3). We observe a corresponding decrease in the proportion who are waiting for more information before forming an opinion (from 35% in wave 1 to 21% in wave 3). Overall, more than 90% of residents have some opinion about the project.
- There is still a sizeable proportion of residents (34%) who have formed an opinion, but want more information to clarify questions they have. Respondents who are waiting on more information (whether they have formed an opinion or are interested but not yet formed an opinion) are significantly more likely to have questions about the effect the mine will have on the environment. See page 19, question 12 for more information.

Q6. Please indicate which of the following statements best reflects your opinion on the Ajax project?

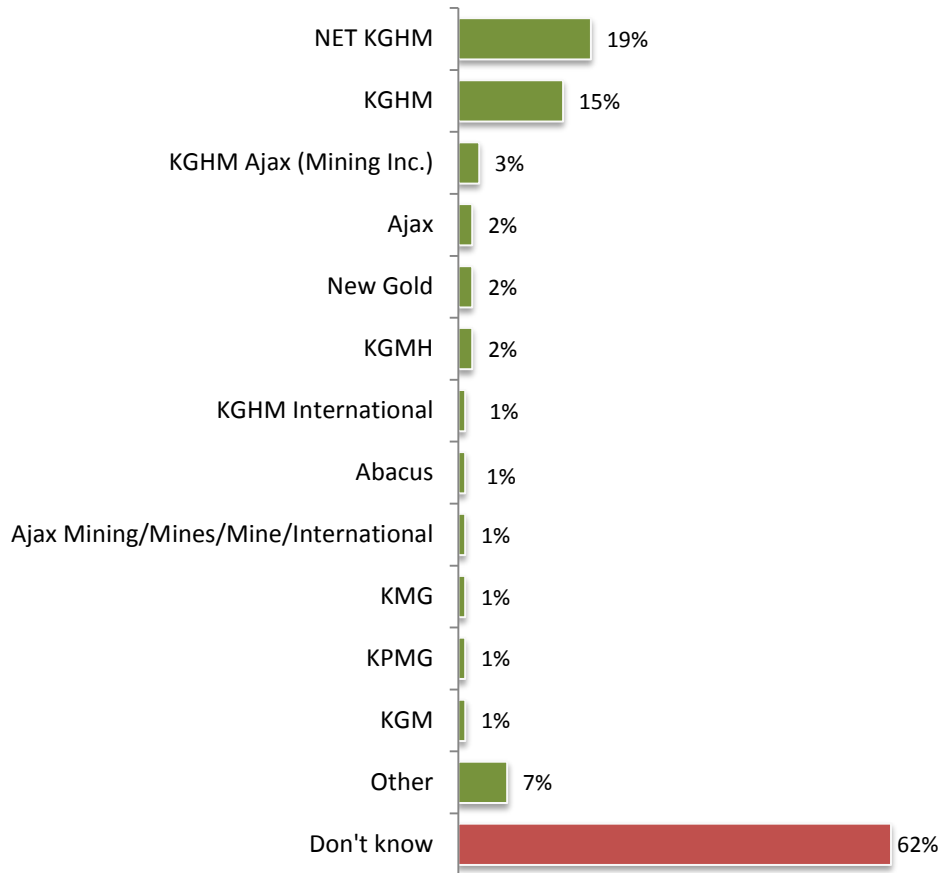


Base: Aware of Ajax project.
Wave 3, n = 378. Wave 2, n=372. Wave 1, n=323.

Awareness of the company operating the Ajax project

- Overall, fewer than one-in-five (19%) residents were able to correctly recall the name of the company operating the Ajax project, or some variant of the name. The majority (62%) are unaware of the company name.

Q7. What is the name of the company operating the Ajax project? (Single Response)

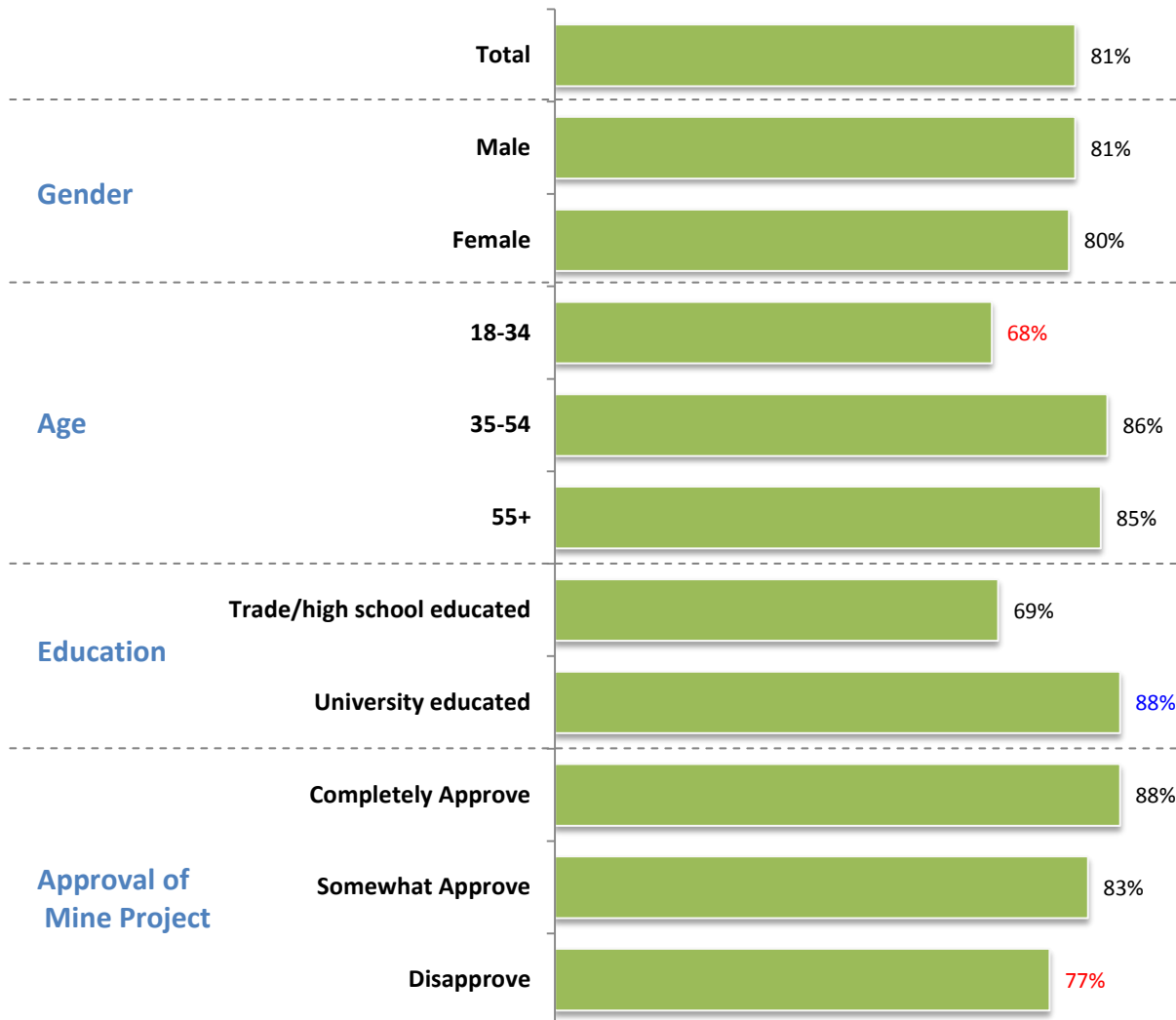


Base: Wave 3, n=385.

Awareness of company efforts to provide information to the community

- Over eight in ten (81%) Kamloops residents are aware of efforts the company made to provide information on the project to the community.
- Those who are 35 years or older, university educated and who somewhat or completely approve of the proposed mine project are significantly more likely to be aware of the efforts KGHM International has made to provide information about the project to the community.

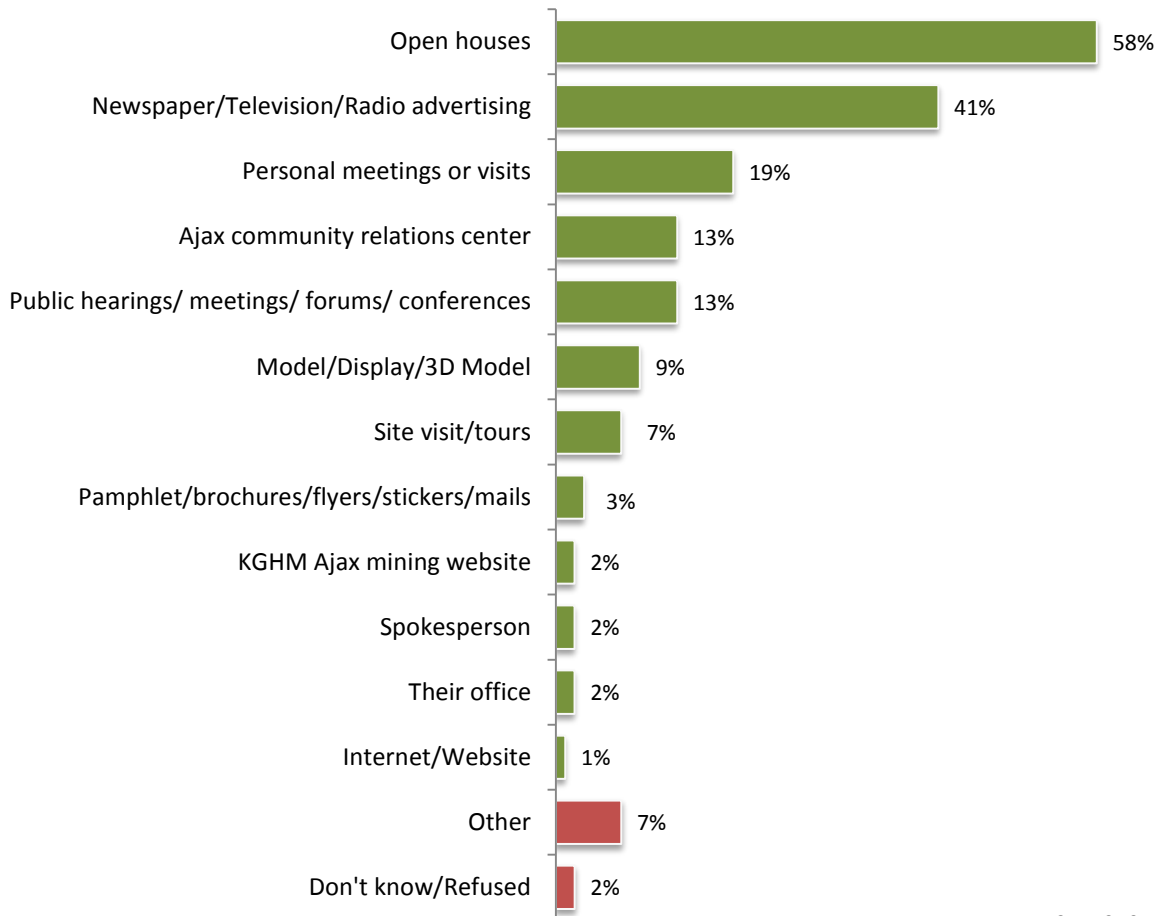
Q8. Are you aware of any efforts the company has made to provide information on the project to the community?
(% stating 'yes')



Awareness of specific efforts to provide information to the community

- Among the 81% aware of efforts to provide information on the project, Open houses (58%) and newspaper/television/radio advertising (41%) are the sources of information most commonly mentioned. One in five (19%) mentioned personal meetings or visits, and 13% mentioned the Ajax community relations center, and public hearings/meetings/forums/conferences respectively.

Q9. What efforts are you aware of that the company has made to provide information about the project?
(Multiple Response)



Base: Wave 3, n=310.

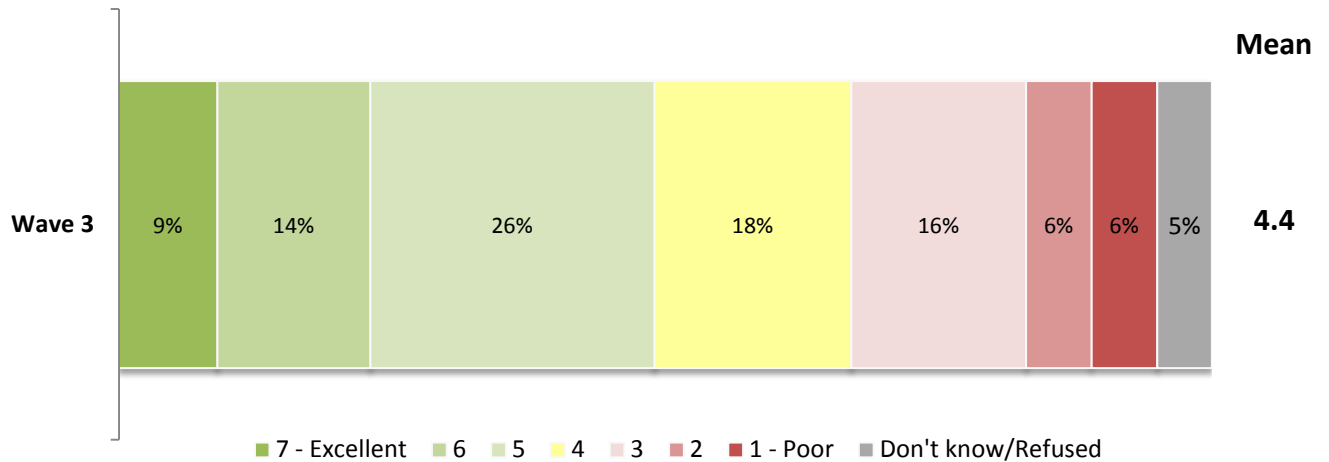
Base: Those who are aware of efforts the company has made to provide information.

Note: Full verbatim comments are available in a separate document.

Rating of efforts to provide information to the community

- Just under one-quarter of Kamloops residents (23%) rate the company efforts to provide information to the community as ‘Excellent’ (6 or 7 out of 7). In contrast, one in ten (12%) feel the efforts to inform the community have been ‘poor’ (1 or 2 out of 7). Overall, the mean rating is 4.4 out of 7.
- Male residents are significantly more likely to give ‘top-box’ (6 or 7 out of 7 ratings of company efforts (29% vs. 17% females) while a higher proportion of female residents gave mid-box ratings (3 to 5 out of 7) (66% vs. 54% males).
- Not surprisingly, residents who approve of the project are significantly more likely to rate very positively on efforts to inform the community than those who disapprove (54% completely, 15% somewhat and 5% disapprove).

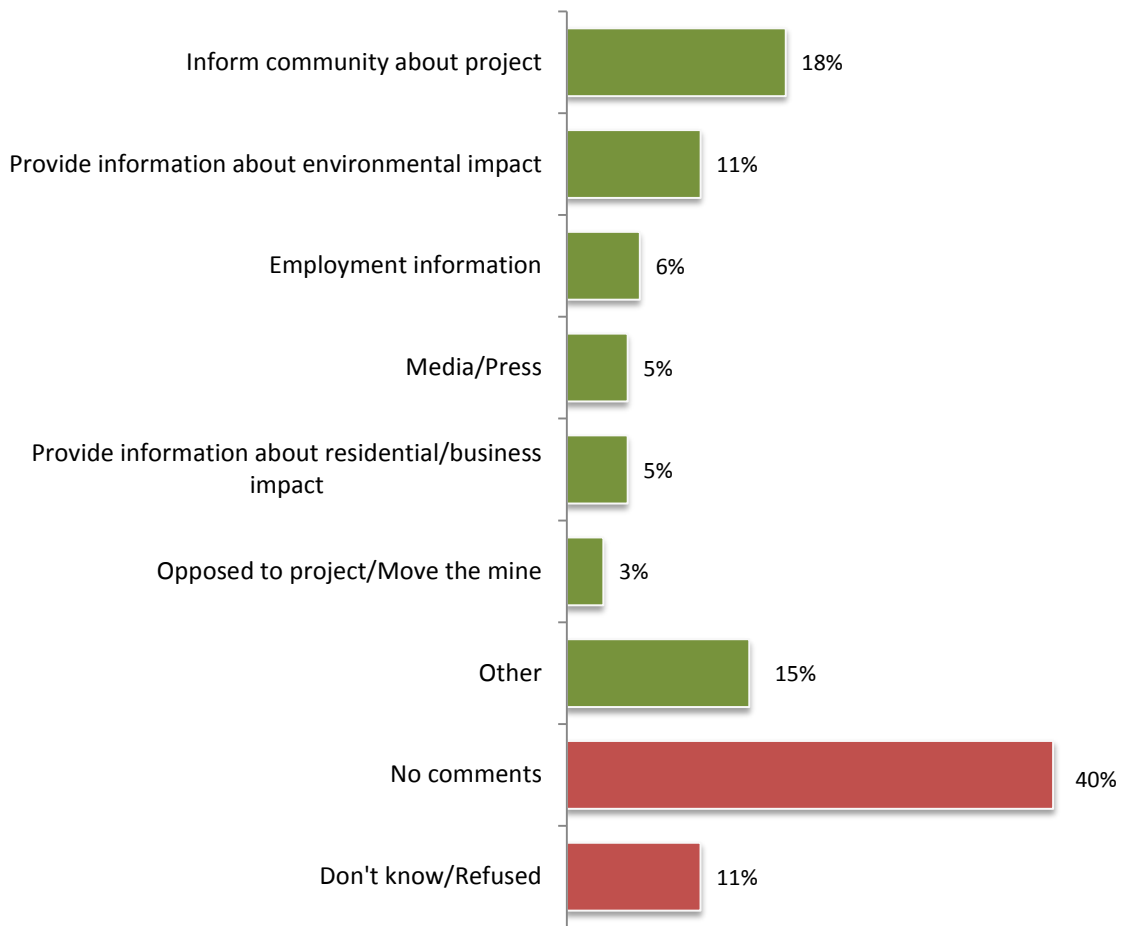
Q10. Overall, on a scale of 1 to 7 with 1 being 'Poor' and 7 being 'Excellent', how would you rate the efforts the company has made to provide information about the project to the community?



Suggestions for what the company should do to consult with the community

- The most commonly-mentioned suggestions on what the company should do to consult with the community were the generic ‘inform the community about the project’ (18%), followed by ‘provide information about environmental impact’ (11%), and ‘employment information’ (6%). Half (51%) of residents did not provide a suggestion.

Q11. Is there anything else you feel the company should be doing in its efforts to consult with the community?
(Open-end Response)



Base: Wave 3, n=385.

Note: Only responses over 2% are shown.

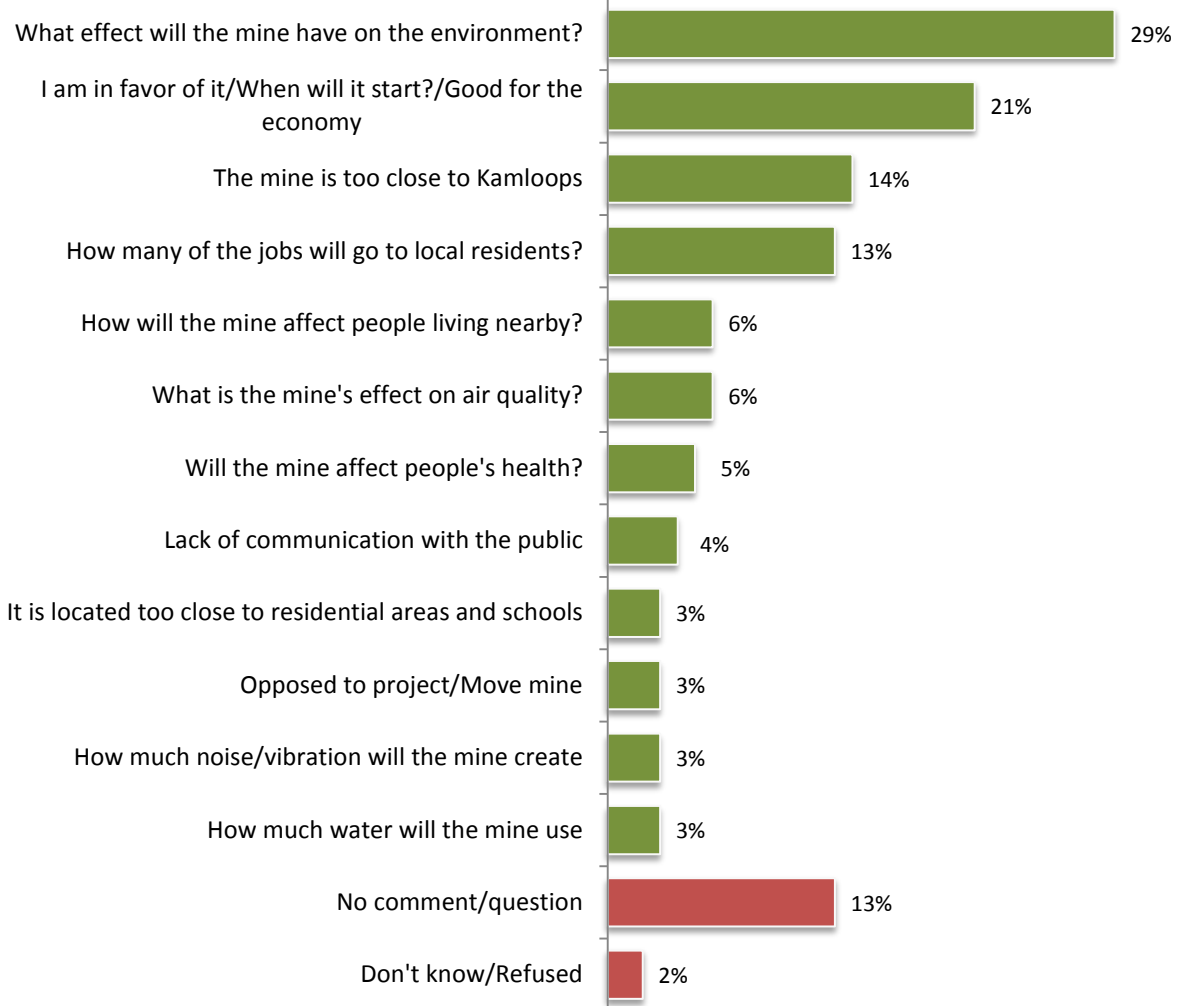
Note: Full verbatim comments are available in a separate document.

Main question or comment about the proposed Ajax project

- The main questions or comments offered by residents regarding the proposed Ajax project relate to the environmental impact it will have, as mentioned by 29%. Some state the mine is too close to Kamloops (14%), while other question the number of jobs will go to local residents (14%). Over one-in-five (21%) mentioned their favourability towards the project, it being good for the economy and asking when it will open.
- Resident in South West Kamloops (V1S) were more likely to question how the mine will affect people living nearby (24%). Central South (V2E, 41%) and North East (V2H, 62%) residents were the most likely to question the mine’s effect on the environment.

Q12. And what is your main question or comment about the proposed Ajax project?

(Open-end Response)



Base: Wave 3, n=385.

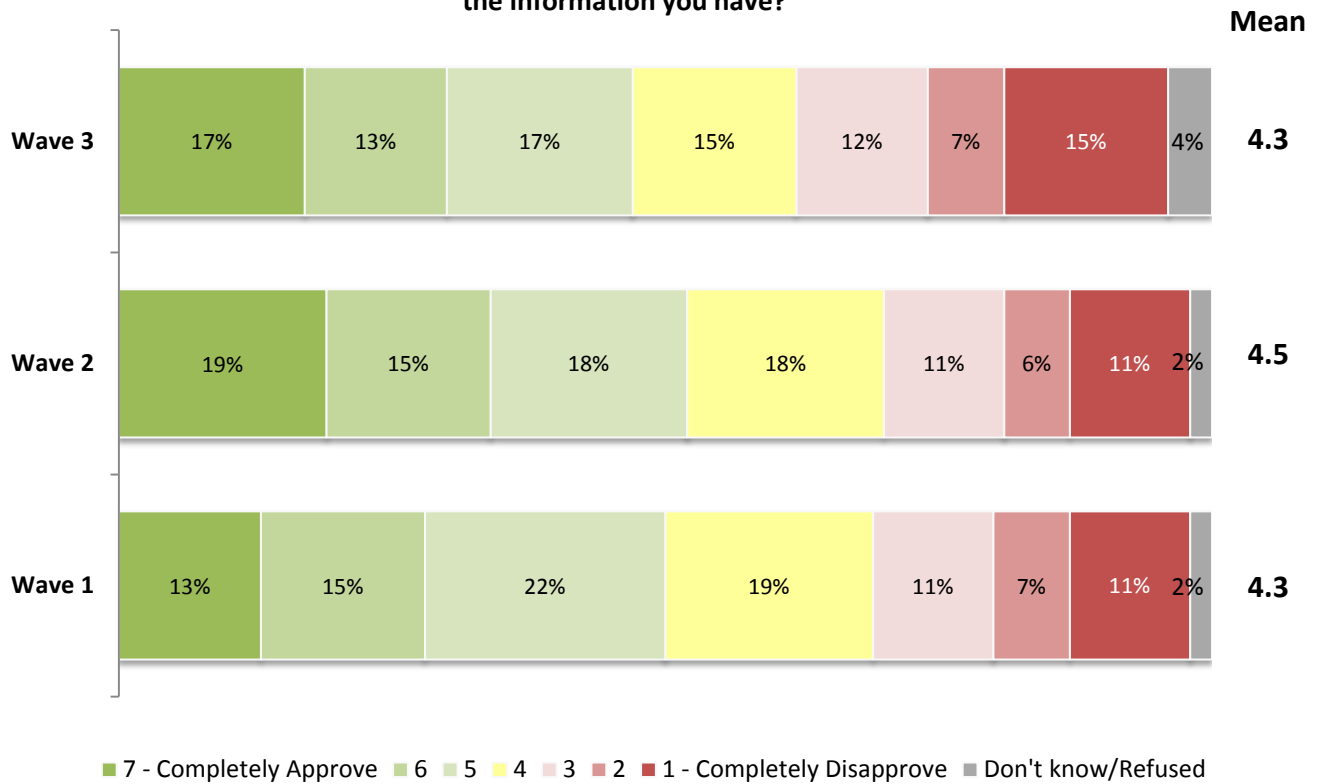
Note: Only responses over 2% are shown.

Note: Full verbatim comments are available in a separate document

Support for the proposed Ajax mine project

- In wave 3, three in ten (30%) of area residents approve (rate 6 or 7 out of 7) the proposed Ajax mine project. This result is consistent with total approval levels seen in the past two surveys.
- Approval is higher among males than females (40% vs. 21%), those with a high school/trade education (39% vs. 25% university-educated residents) and those with mining connections (35% vs. 23% not connected to the industry).

Q13. Overall, on a scale of 1 to 7 with 1 being 'Completely Disapprove' and 7 being 'Completely Approve', how do you feel about the Ajax project based on the information you have?



Base: Wave 1, Wave 2, and Wave 3, n=385.

Summary

- ‘Mining’ and ‘The Mill’ 3) continue to be viewed by Kamloops residents as the most important industries that contribute to the local economy. In fact, two-thirds (66%) now agree that ‘Mining is an integral part of our local economy’.
- Six in ten (61%) area residents have some connection to the mining industry. This tends to be through a friend or family member that works in the industry (47%). Just 9% currently or formerly worked in the industry.
- Just under half (44%) of residents have been following the project closely in the media but have not actively sought information from other sources. Three in ten (29%) have actively sought information from sources other than the media, while more than one in four (26%) have heard about the project but have not followed it closely.
- Newspapers are the key source of information for building knowledge about the project, as mentioned by 63% of those aware of the project. Television (43%), Radio (24%) and Word of mouth (23%) are the other key sources of information. The internet is increasingly being used as an information source, corresponding to their increase in the proportion of residents actively seeking information outside the media.
- A significantly greater proportion of residents have now formed a strong opinion that additional information will not change (from 17% in wave 1 to 36% in wave 3). Respondents who are waiting on more information (whether they have formed an opinion or are interested but not yet formed an opinion) are significantly more likely to have questions about the effect the mine will have on the environment.
- Fewer than one-in-five (19%) residents were able to correctly recall the name of the company operating the Ajax project.
- Over eight in ten (81%) of area residents are aware of efforts the company has made to provide information on the project to the community.
- Open houses (58%) and newspaper/television/radio advertising (41%) are company efforts to provide information that residents are most aware of.
- Just under one-quarter of Kamloops residents (23%) rate the company efforts to provide information to the community as ‘Excellent’, while one in ten (12%) feel the efforts to inform the community have been ‘poor’. Overall, the mean rating is 4.4 out of 7.
- The most commonly-mentioned suggestions on what the company should do to consult with the community were ‘inform the community about the project’ (18%), followed by ‘provide

information about environmental impact' (11%), and 'employment information' (6%). However, half (51%) of residents did not provide a suggestion.

- The main question residents have regarding the proposed Ajax project is the impact the mine will have on the environment.
- Project approval ratings are in line with previous findings: three in ten (30%) of area residents approve (rate 6 or 7 out of 7) of the proposed Ajax mine project.

Demographics

- Complete approval of the Ajax project is highest among residents with Vocational or Trade school, while those with college or university degrees are less likely to approve of mining in their area.

Education	Completely Approve of Ajax project (n=115)	Somewhat Approve of Ajax project (n=122)	Disapprove of Ajax project (n=132)	TOTAL (n=385)
Some high school	4%	2%	4%	3%
High school	22%	19%	17%	19%
Vocational or trade school equivalent	18%	13%	9%	12%
Some college or university	21%	21%	13%	18%
College or university graduate	28%	38%	39%	35%
Some graduate work	-	3%	2%	2%
Completed graduate degree (i.e. Masters or Ph.D)	5%	3%	16%	9%
Don't know	-	-	-	<1%
Refused	2%	1%	<1%	2%

Area of Kamloops	Completely Approve of Ajax project (n=115)	Somewhat Approve of Ajax project (n=122)	Disapprove of Ajax project (n=132)	TOTAL (n=385)
Bachelor Heights	3%	3%	3%	3%
North Kamloops	12%	20%	16%	16%
South Kamloops	4%	7%	10%	7%
Aberdeen	10%	10%	11%	10%
Barnhartvale	4%	5%	2%	4%
Brocklehurst	17%	11%	4%	11%
Campbell Creek	<1%	-	-	<1%
Dallas	4%	2%	<1%	2%
Dufferin	3%	1%	1%	2%
Knutsford	1%	-	3%	1%
Pineview	1%	2%	2%	1%
Sahali	8%	8%	20%	12%
Raleigh	4%	8%	2%	5%
Rosehill	-	-	-	-
Valleyview	4%	3%	5%	4%
Downtown	4%	4%	2%	3%
Westside	12%	6%	10%	9%
Juniper	3%	2%	3%	3%
Other	6%	8%	6%	6%
Refused	1%	-	<1%	1%



PR Associates' KGHM AJAX Perception Audit

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Prepared by:



NRG Research Group

Andrea O'Brien

Research Manager

T: 604-676-3989

E: aobrien@nrgresearchgroup.com

Liddie Sorensen-Lawrence, MBA

Senior Vice President

T: 604-676-5649

E: lsl@nrgresearchgroup.com

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Background and Survey Objectives

Background Information

In April 2012, NRG Research Group was retained by PR Associates to conduct a public opinion survey on behalf of KGHM Ajax Mining Inc. This was a repeat of the survey conducted in September 2011. The primary purpose of the surveys is to better understand Kamloops residents' impressions of the proposed mine in the area and track impressions as they change over time.

Survey Objectives

The primary objectives of the survey were to:

- ✓ Assess the awareness levels of the proposed Ajax mine project;
- ✓ Understand how residents view mining in general, and the proposed Ajax mine in particular, in terms of economic impact, safety, and environmental impact;
- ✓ Identify information sources used by residents currently and which they would prefer to use to learn about the proposed Ajax mine;
- ✓ Gauge approval of the proposed mine among area residents; and,
- ✓ Track changing impressions of the Ajax mine over time.

Survey Methodology

Methodology

NRG Research Group conducted telephone interviews for the *KGHM Ajax Perception Audit* between August 22nd and September 6th, 2011 and again between April 27th and April 30th, 2012. For both waves, interviews were conducted among 385 residents from the City of Kamloops. As this study was designed for the purposes of tracking residents’ perceptions of the proposed mine project over time, the survey instrument remained very similar to 2011, and is available in Appendix 1. Each wave of results carries an overall maximum margin of error of $\pm 5.0\%$ at the 95% level of confidence.

The survey was conducted among residents who are aged 18 years or older using a random digital dial (RDD) sample source. Quotas were set to ensure that respondents represented the overall population base of each community. To account for over-sampling of certain demographic groups, the results are weighted to reflect the population by age and gender according to the Census. The tables below detail the weighting for wave 2.

Census Population Distribution

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
14%	19%	16%	14%	20%	17%

Wave 2 Raw Survey Competes Distribution

Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
11%	20%	17%	6%	24%	21%

Wave 2 Weights

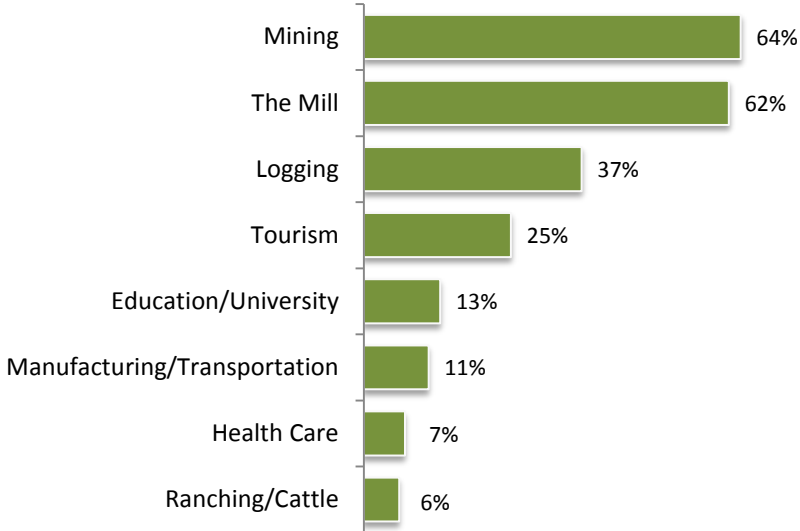
Men, 18-34	Men, 35-54	Men, 55+	Women, 18-34	Women, 35-54	Women, 55+
1.18	.94	0.94	2.25	0.83	0.83

Survey Results

Industries that Contribute to Local Economy

- ‘Mining’ and ‘The Mill’ (pulp, paper, lumber, etc) are the most commonly mentioned contributors to the local economy, as noted by 64% and 62% of respondents respectively. These were followed by Logging at 37% and Tourism at 25%.
- Residents who completely or somewhat approve of the Ajax mining project are more likely to mention mining as an important industry than those who disapprove (71% vs. 57%). Those aged 35 and over are significantly more likely to consider ‘The mill’, ‘Logging’ and ‘Education’ as key industries that contribute to the local economy than under their younger counterparts.

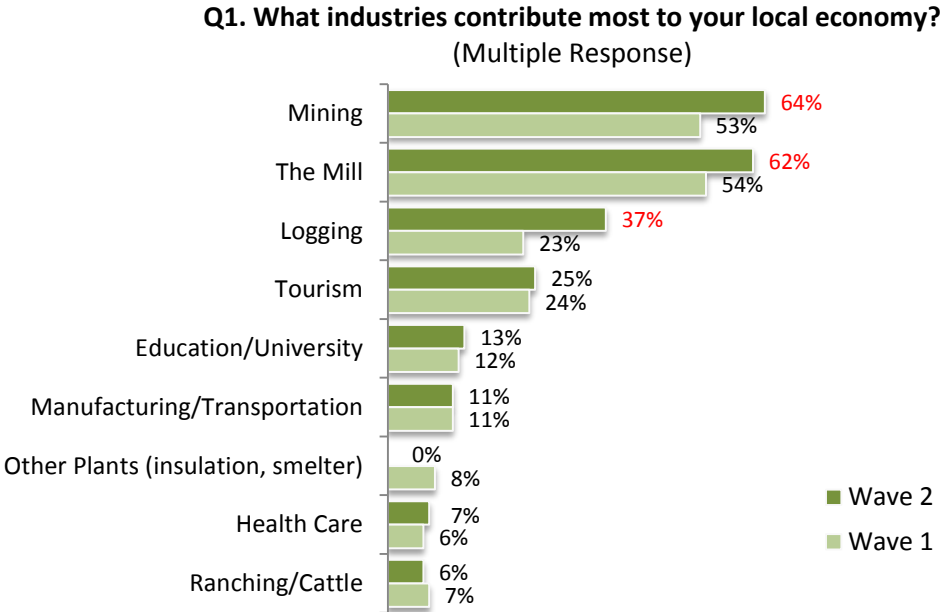
Q1. What industries contribute most to your local economy?
(Multiple Response. Wave 2 Only)



Base=Wave 2 respondents, n=385.
Note: Only responses over 5% are shown.

Industries that Contribute to Local Economy - (by survey wave)

- Compared to September 2011, Kamloops residents were significantly more likely to mention 'Mining', 'The mill' and 'Logging' as the most important contributors to the local economy. In contrast, those mentioning 'Otherplants' (insulation, smelter etc.) has fallen significantly (from 8% to 0%).

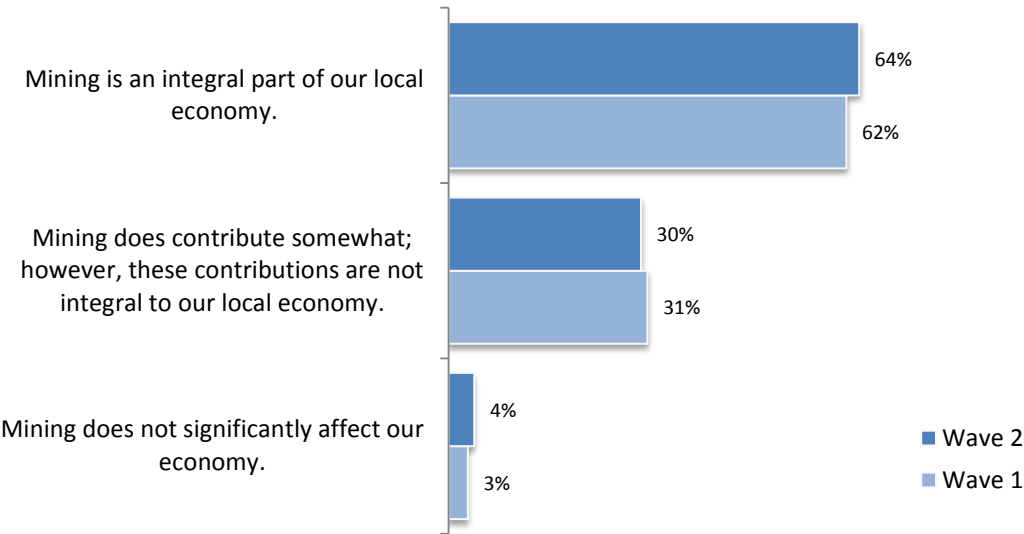


Base: Wave 1 and Wave 2, n=385.
Note: Only responses over 5% are shown.

The Mining Industry’s Contribution Impact on the Economy

- For wave 2, just under two-thirds (64%) of area residents agree that ‘Mining is an integral part of our local economy’. One-in-three (30%) feel the industry contributes somewhat, but is not integral to the local economy, while just 4% say it does not significantly affect the economy. These results are in line with wave 1.

Q2. Which of the following statements best describes how you feel about the mining industry’s current impact on your local economy in the way of jobs, taxes, or other contributions?



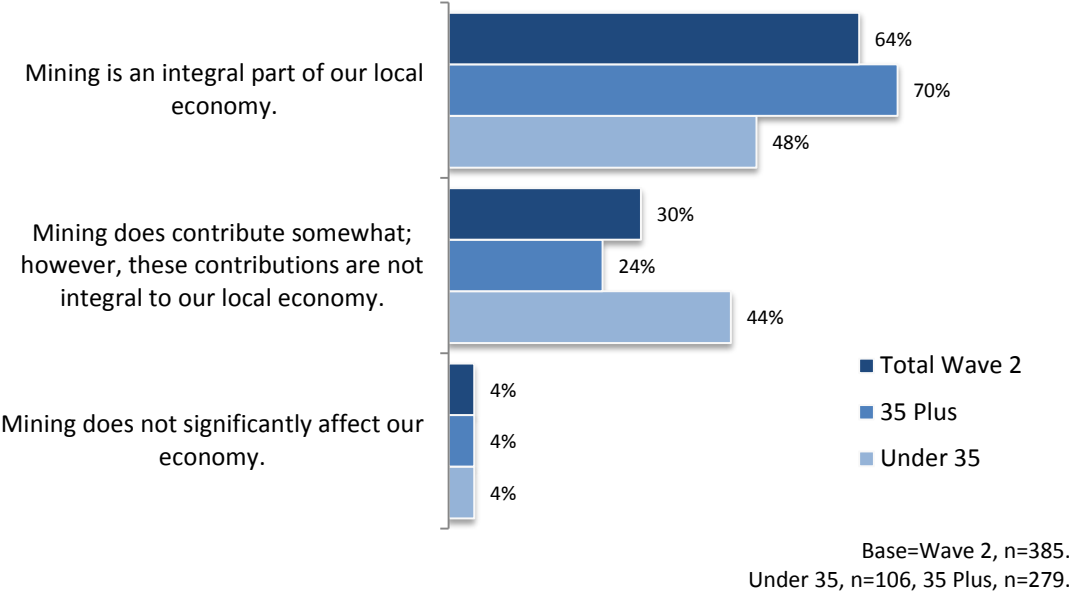
Base: Wave 1 and Wave 2, n=385.

- At a total level results are unchanged from wave 1 to wave 2. However, looking at those who do not have mining connections we observe a significant change: In wave 1, those with no connections were equally likely to say that ‘mining contributes somewhat’ or ‘mining is an integral part of the local economy’ (42% vs. 48%). In wave 2, those with no connections are significantly more likely to agree that mining plays an integral role (60% vs. 31%) which suggests that the general public places an increasing importance on the mining industry.

	Mining Connections:			
	Wave 1 Yes	Wave 2 Yes	Wave 1 No	Wave 2 No
Mining does not significantly affect our economy	3%	3%	3%	6%
Mining does contribute somewhat; however, these contributions are not integral to our local economy	23%	29%	42%	31%
Mining is an integral part of our local economy	72%	67%	48%	60%

- Similar to wave 1, those who approve of the mining project are more likely to believe mining is integral to the local economy. Age of resident also plays a strong part in agreement with these statements. Residents aged 35 and over are significantly more likely to agree that mining is integral to the economy, than under 35's (70% vs. 48%).

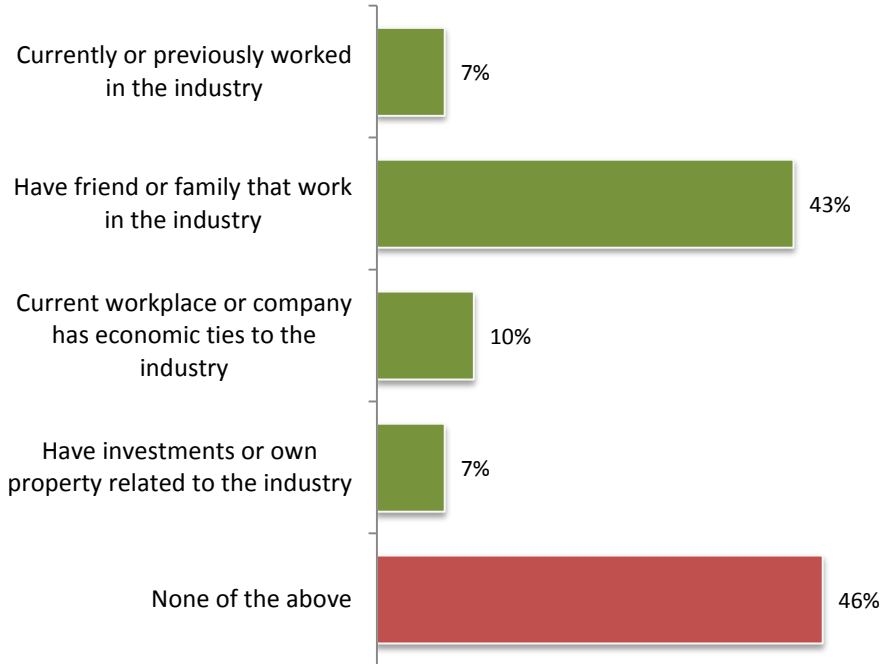
Q2. Which of the following statements best describes how you feel about the mining industry's current impact on your local economy in the way of jobs, taxes, or other contributions?
 (Total and 35 plus vs under 35)



Connections with Mining

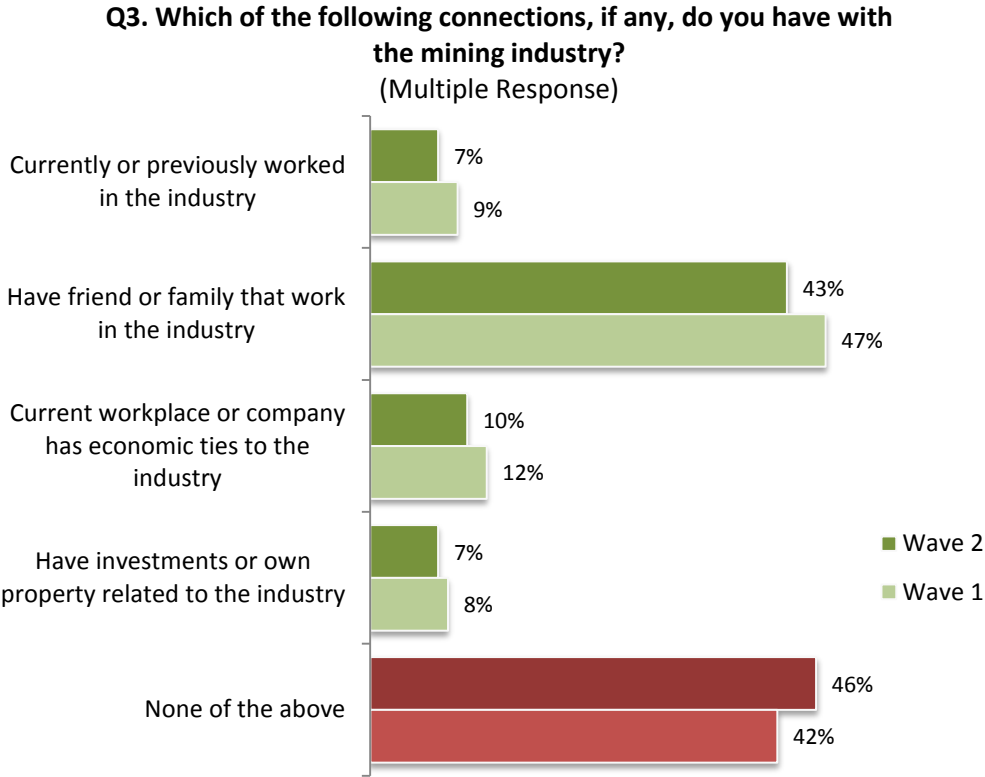
- Over half (54%) of area residents have some connection to the mining industry. These connections tend to be through a friend or family member that works in the industry (43%). Just 7% say they currently or have previously worked in the industry.
- Four times as many males as females currently/previous work in the industry (12% vs. 3%). Not surprisingly, those who approve of the mining project are more likely to currently work in the industry than those who disapprove (11% vs. 3%).

Q3. Which of the following connections, if any, do you have with the mining industry?
(Multiple Response)



Base: Wave 2, n=385.

- There is a similar profile of respondent connection to the mining industry in wave 1 and wave 2.

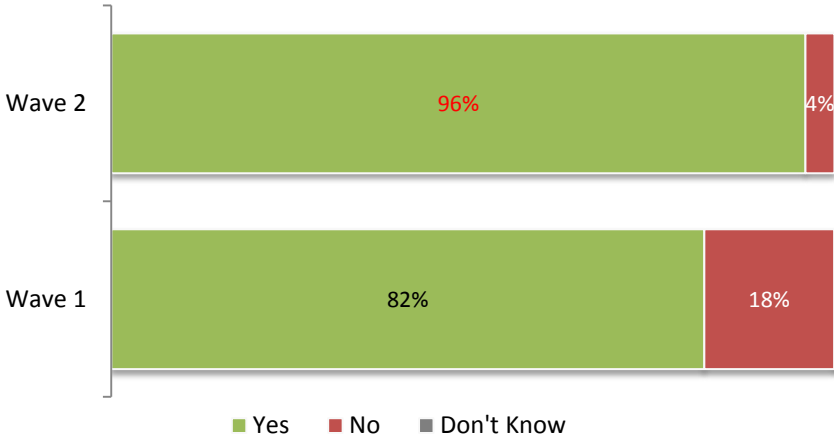


Base: Wave 1 and Wave 2, n=385.

Awareness of proposed Ajax mine project

- Overall awareness of the proposed Ajax mine project has significantly increased between September 2011 and April 2012, (up from 82% to 96%).
- Consistent with wave 1, residents aged 55 plus are more likely to have heard of the project than their younger counterparts. In fact, 99% of those 55+ have heard about it compared to only 96% of 35 – 54 year olds and 92% of 18 – 34 year olds.

Q4. Have you heard about the proposed Ajax mine project?

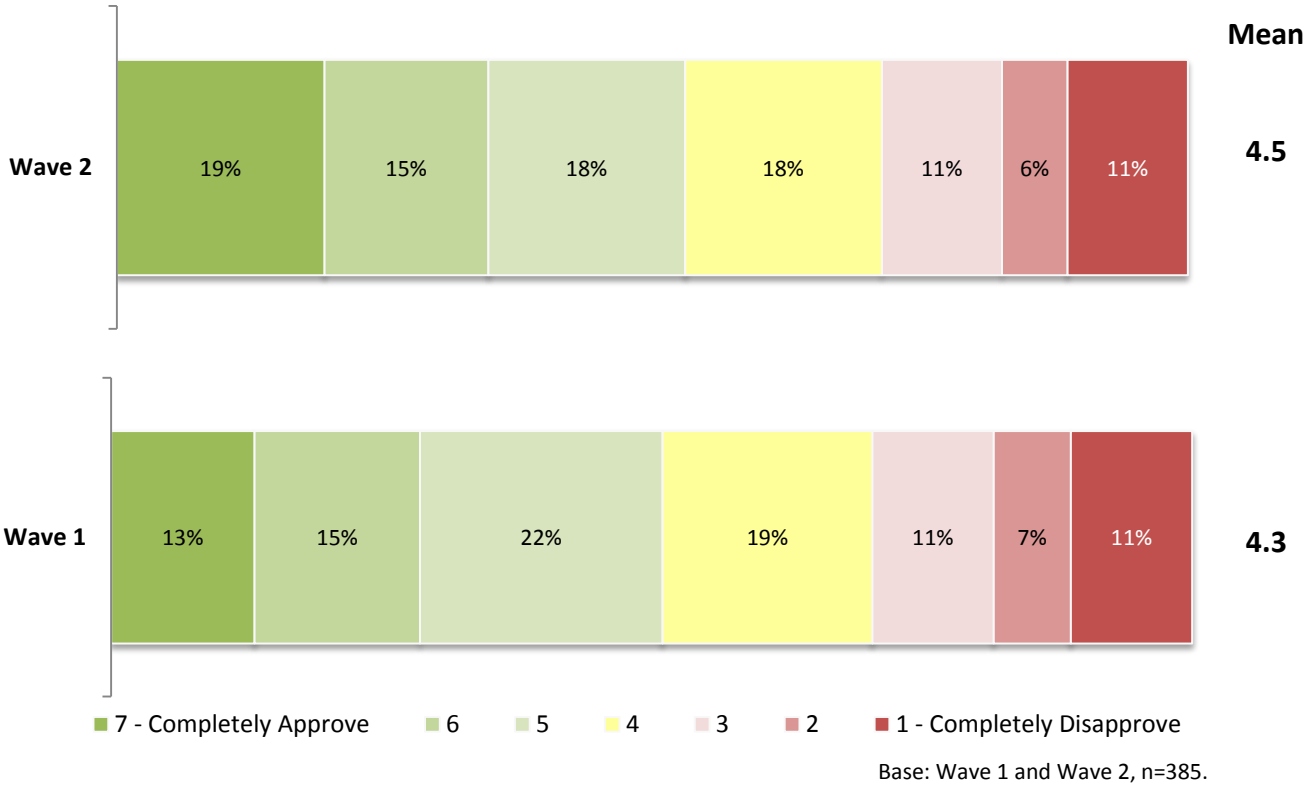


Base: Wave 1 and Wave 2, n=385.

Support for the proposed Ajax mine project

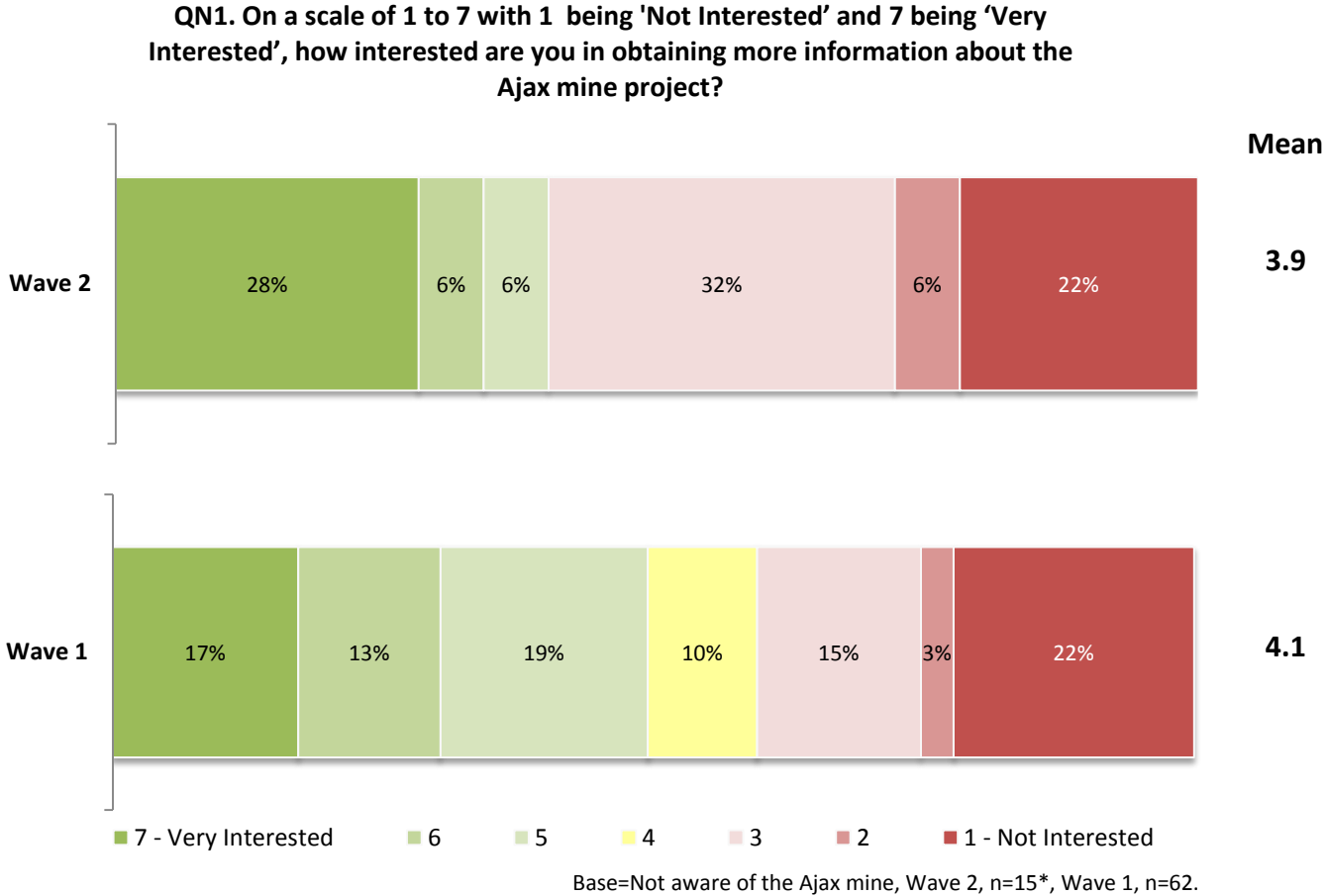
- Just over half (52%) of area residents have positive feelings toward the proposed Ajax mine project in April 2012. This is consistent with total approval levels seen in September 2011. However, the proportion of residents strongly in favour has increased from 13% in wave 1 to 19% in wave 2. Similar levels of disapproval can be observed in both wave 2 and wave 1.
- In wave 1 males were significantly more likely to approve of the project than females (60% vs. 40%). In contrast to this, wave 2 has very similar approval levels among both and males and females (53% vs. 49%).
- Other groups more likely to approve of the proposed project in wave 2 include those with a high school/trade education (59% vs. 48% among university-educated residents) and those with mining connections (59% vs. 43% of those not connected to the industry).

Q10. Overall, on a scale of 1 to 7 with 1 being 'Completely disapprove' and 7 being 'Completely Approve', how would you feel about the Ajax mine project based on the information you have?



Interest in learning more about the proposed Ajax mine

- Of the 4% of area residents who were not aware of the proposed Ajax mine project, 40% expressed interest in obtaining more information about the project, 32% were ambivalent and 28% were not interested in finding out more. The extremely low base of just n=15 respondents does not allow for meaningful sub-group or wave-to-wave analysis.

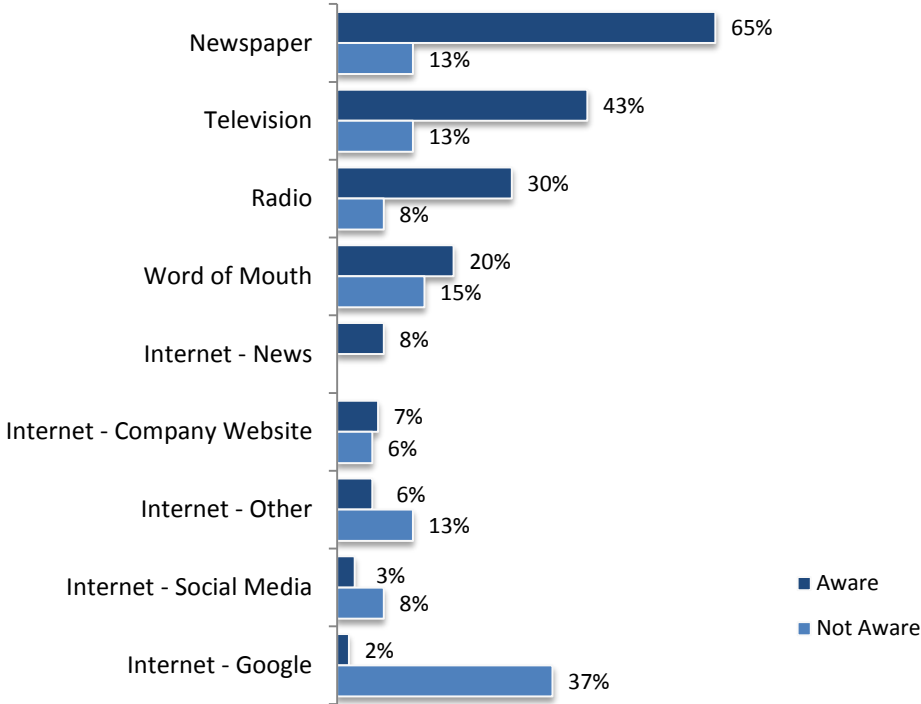


* Low base. Results should be interpreted with caution.

Sources of information about the proposed project

- Newspaper is the key source of information for building knowledge, as mentioned by 65% of those aware of the mining project. ‘Television’ (43%), ‘Radio’ (30%) and ‘Word of mouth’ (20%) are the other main sources of information.
- For those not aware, the internet would be a key source of information about the project, with 64% mentioning they would source information online in some way – by searching on ‘Google’ (37%), ‘Other’ internet (13%), ‘Social media’ (8%) or ‘Visiting the company website’ (6%).

Q6, QN2. What, if any, sources of information [would you use to increase/have contributed to] your knowledge of the Ajax mine project? (Multiple Response)
(Aware vs Not Aware of Mine)

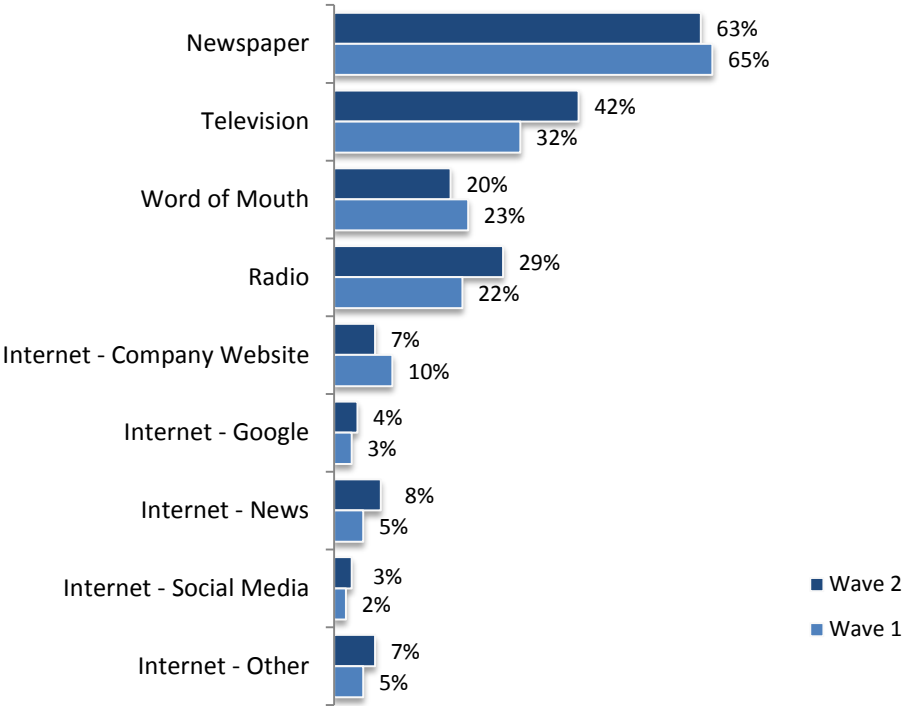


Base: Wave 2. Aware n= 370, Not Aware n=15.

Sources of information about the project– by survey wave

- Comparing the information sources used from wave 1 to wave 2 (among those both aware and not aware of the project), ‘Television’ and ‘Radio’ are increasingly being mentioned as sources for information about the project. In fact, ‘Television’ was noted by 42% of respondents in April, compared to only 32% in September. Similarly, ‘Radio’ was noted by 29% of residents, up from 22%.

Q6, QN2 Combined. What, if any, sources of information [would you use to increase/have contributed to] your knowledge of the Ajax mine project? (Multiple Response)



Base: Wave 1 and Wave 2, n=385.

Importance of types of information to provide

- Area residents who do not approve of the mine are significantly more likely than those who do approve to think it is important that information regarding the 'Environmental Impact', 'Community health and safety impact', 'Potential mine location' and 'Proposed hours of operation' be made available.
- In contrast, those who approve of the mine are more likely to think it is important that information on 'Potential employment', 'Potential for local businesses' and 'Potential tax revenue for the city' be made available. These result are consistent with wave 1 findings.

Combined Q7, QN3. When thinking about the Ajax mine, how important is it that information be available on each of the following? Please use a scale of 1 to 7 where 1 is 'Not Important' and 7 is 'Very Important'. (Approve vs Do Not Approve of Mine)



Base: Wave 2. Approve of project n=197 , Do Not Approve n=184.

Importance of types of information to provide – by survey wave

- The relative importance of having each of the information types about the proposed mining project be available has not changed significantly from wave 1 to wave 2.

Q7, QN3. When thinking about the Ajax mine, how important is it that information be available on each of the following? Please use a scale of 1 to 7 where 1 is 'Not Important' and 7 is 'Very Important'.
 (Approve vs Do Not Approve of Mine)

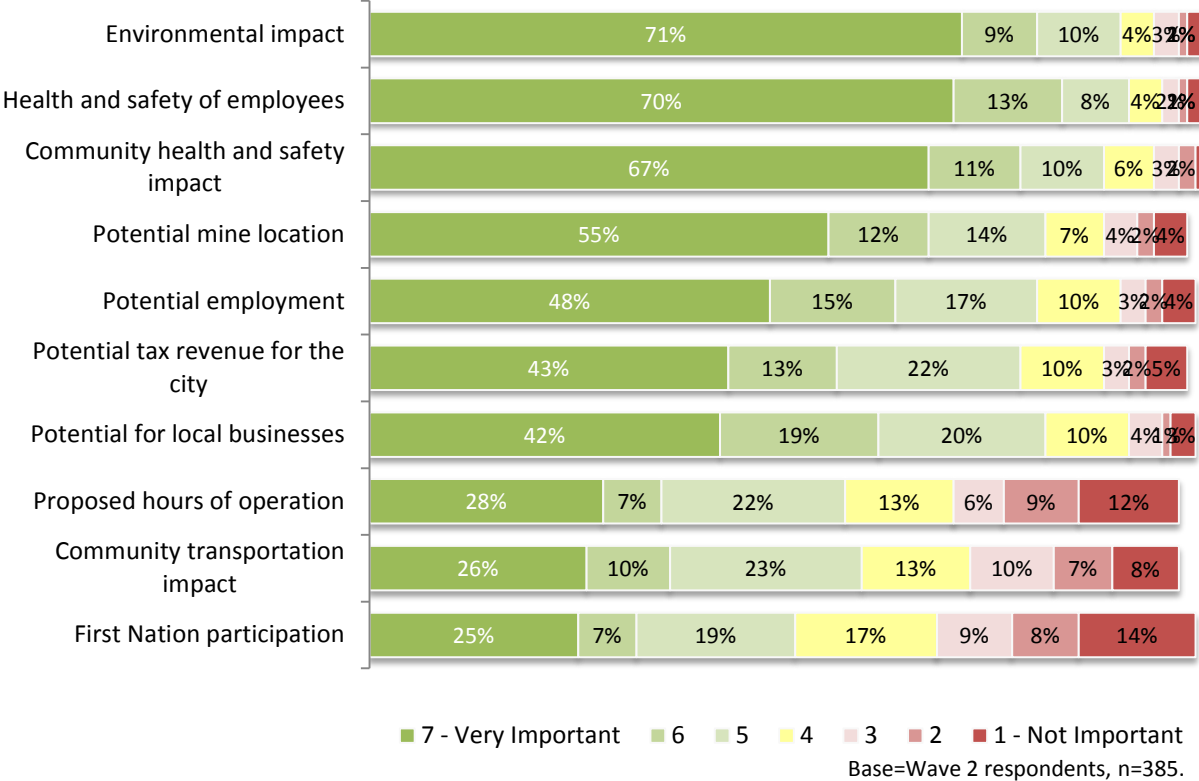


Base: Wave 1 and Wave 2, n=385.

Importance of types of information to provide

- As seen in wave 1, it is essential that a wide range of information on the proposed Ajax mine site be made available to area residents.
- The ‘Environmental impact’, ‘Community health and safety impact’, ‘Potential mine location’, and ‘Potential employment’ are the key types of information area residents believe should be made available. Information on ‘First-nation participation’, ‘Community transportation impact’ and ‘Proposed hours of operation’ are seen as relatively less important types of information to have available.

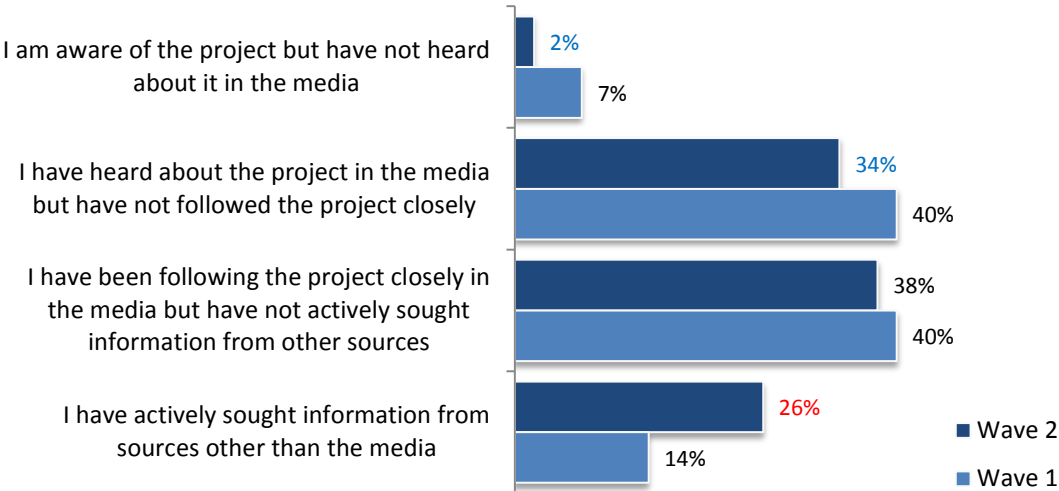
Combined Q7/QN3. When thinking about the Ajax mine, how important is it that information be available on each of the following? Please use a scale of 1 to 7 where 1 is 'Not Important' and 7 is 'Very Important'.



Perception of self-knowledge regarding the Ajax mine

- Area residents feel significantly better-informed about the Ajax mine in April 2012 than they did in September 2011. Some 26% have now actively sought information outside the media compared to just 14% in wave 1.
- The proportion who have been following the project closely in the media remains consistent with wave 1, however we observe a significant decrease in the proportion who have heard about the project but are not following it closely (from 40% to 34%) and those who have not heard about the project in the media (from 7% to 2%).
- Consistent with wave 1, females are more likely than males to indicate they have heard about the project but not followed it closely (42% vs.24%).
- Age, education and approval of the project also have an affect on the extent to which people feel they are informed about the mine. Those under 35 are less likely to indicate they have been following the project closely in the media than those aged 35 plus (21% vs.44%); those with a university education are more likely to have actively sought information outside of the media than those with high school/trade education (31% vs. 16%); and those who either strongly approve or strongly disapprove of the mine are significantly more likely to have actively sought out information than those who are more ambivalent towards the project (31% vs. 18%).

Q5. Which of the following statements best describes how well informed you are about the Ajax mine project?

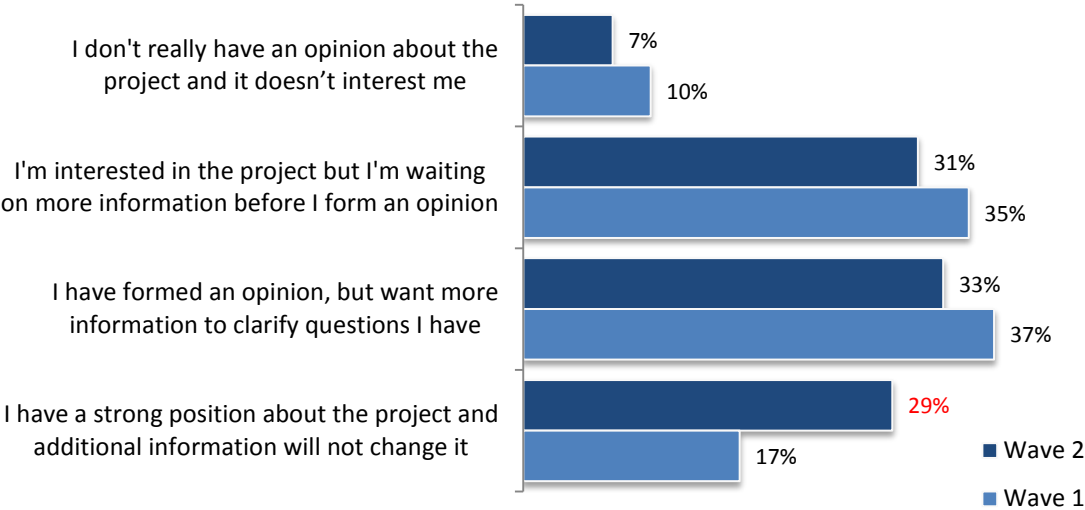


Base=Respondents aware of the Ajax mine project.

Opinion regarding the Ajax mine project

- In the time between September 2011 and April 2012, area residents have had an opportunity to learn more about the proposed mining project. As a result, a significantly greater proportion have now formed a strong opinion that additional information will not change (from 17% in wave 1 to 29% in wave 2).
- As of April, relatively equal proportions of area residents either have a strong opinion, have an opinion but want more information to clarify questions, or are interested in the project but want more information before forming an opinion.
- Residents aged 55 plus are significantly more likely than those under 55 to have formed a strong opinion that additional information will not change (37% vs. 24%). Another group of residents who have a strong opinion are those who ‘completely approve’ of the project. In fact, two-thirds (67%) of those who completely approve have formed a strong opinion about the project compared to just 21% of those who either somewhat approve, or completely disapprove of the project.

Q9. Please indicate which of the following statements best reflects your opinion on the Ajax mine project?

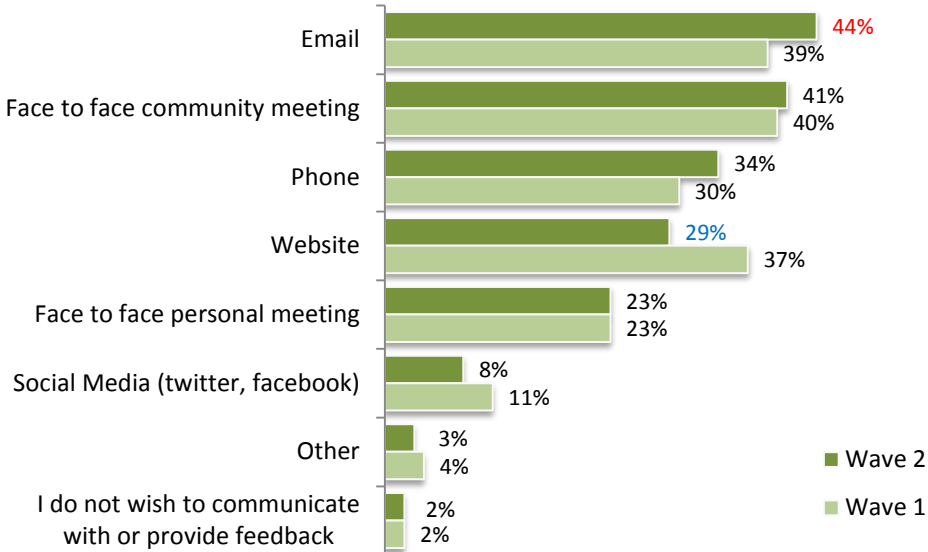


Base=Respondents aware of the Ajax mine project.

Preferred method of communication with mining company

- ‘Email’, ‘Face to face community meeting’ and the ‘Website’ were the most frequently mentioned preferred ways of communicating with the mining company.
- From wave 1 to wave 2, we observe an increase in email communication (from 39% to 44%) and a decrease in communication via the company website (from 37% to 29%) as preferred methods of communicating with the mining company.
- Not surprisingly, younger residents are more likely than their older counterparts to prefer online methods of communication: Those under the age of 55 mentioned both ‘email’ (18-34: 52%, 35-54: 50%) and ‘website’ (18-34: 34%, 35-54: 35%) more frequently than those age 55 and older (email: 32% and website: 20%). This is consistent with wave 1 results.

Q8. What would be your preferred methods of communicating with the mining company?
(Multiple Response)



Base=Respondents aware of the Ajax mine project.
Wave 2 n=370 Wave 1 n=323

Summary

- From wave 1 to wave 2, 'Mining' (53% to 64%) and 'The Mill' (54% to 62%) are increasingly being mentioned as contributing the most to the local economy. In fact, just under two-thirds (64%) now agree that 'Mining is an integral part of our local economy'.
- This opinion is becoming more widespread across the population. In wave 1, those with connections to the mining industry were significantly more likely to agree that 'mining is an integral part of the local economy' (72% vs. 48%), however in wave 2, those with and without industry connections do not differ significantly in opinion (67% vs. 60%).
- Over half (54%) of area residents have some connection to the mining industry. This tends to be through a friend or family member that works in the industry (43%). Just 7% currently or formerly worked in the industry.
- Overall awareness of the proposed Ajax mine project has significantly increased between September 2011 and April 2012. The vast majority of Kamloops residents (96%) are now aware of the project.
- Despite the increase in awareness of the project, residents are still divided in their support of it. Just over half (52%) have positive feelings toward the proposed Ajax mine project, while 46% somewhat or strongly disapprove. However, the proportion of residents strongly in favour (rating 7 out of 7) has increased from 13% in wave 1 to 19% in wave 2.
- Newspapers are the key source of information for building knowledge about the project, as mentioned by 65% of those aware of the project. Television (43%), Radio (30%) and Word of mouth (20%) are the other key sources of information. Television and radio are increasingly being mentioned as sources for information about the project.
- Regardless of mine approval, the provision of information on 'Health and safety of employees', the 'Environmental Impact' and 'Community health and safety impact' are considered the most important to area residents. This is consistent with wave 1 results.
- Since the first survey was conducted in September 2011, significantly more area residents feel they are better-informed about the project. In fact, 64% now say they have either actively sought information or have been following the project closely (up from 54% in wave 1). There has been a corresponding decrease in those who say they have not heard about the project in the media or have not followed it closely (from 47% in wave 1 to 36% in wave 2).
- Between September 2011 and April 2012 there has been a significant increase in the proportion of residents who have formed a strong opinion that additional information will

not change (from 17% in wave 1 to 29% in wave 2). Approximately equal proportions now either have a strong opinion (29%), have an opinion but want more information to clarify questions (33%), or are interested in the project but want more information before forming an opinion (31%).

- The top two preferred methods of communicating with the mining company continue to be 'Email' (44%) and 'Face to face community meeting' (41%). 'Phone' (34%) is now more preferred than the website (29%). This may be due to the increased knowledge of the project among residents. The website served as a source of general information, while the phone can be used for answering more specific questions about the project.

Demographics

- Complete Approval of the Ajax mine Project is highest among residents with Vocational or Trade school, while those with college or university degrees are less likely to approve of mining in their area.

Education	Completely Approve of Ajax project (n=73)	Somewhat Approve of Ajax project (n=124)	Don't Explicitly Approve of Ajax project/DK/Refuse (n=188)	TOTAL (n=385)
High School or Less	27%	17%	17%	19%
Vocational/Trade School	20%	14%	10%	13%
Some College/University	25%	26%	17%	21%
College/University Graduate	22%	31%	35%	31%
Graduate Degree/Some Graduate Work	4%	11%	18%	13%
Refuse	1%	1%	3%	1%

Education	Completely Approve of Ajax project (n=73)	Somewhat Approve of Ajax project (n=124)	Don't Explicitly Approve of Ajax project/DK/Refuse (n=188)	TOTAL (n=385)
High School or Less	10%	5%	9%	8%
Vocational/Trade School	39%	21%	17%	22%
Some College/University	4%	10%	6%	7%
College/University Graduate	18%	19%	22%	21%
Graduate Degree/Some Graduate Work	18%	35%	32%	31%
Refuse	2%	1%	1%	1%

Area of Kamloops	Completely Approve of Ajax project (n=73)	Somewhat Approve of Ajax project (n=124)	Don't Explicitly Approve of Ajax project/DK/Refuse (n=188)	TOTAL (n=385)
Bachelor Heights	7%	4%	2%	3%
North Kamloops	10%	14%	15%	14%
South Kamloops	5%	7%	10%	8%
Aberdeen	9%	10%	13%	11%
Barnhartvale	6%	3%	4%	4%
Brocklehurst	14%	13%	10%	12%
Campbell Creek	0%	0%	0%	0%
Dallas	3%	5%	3%	4%
Dufferin	2%	1%	2%	2%
Knutsford	1%	0%	1%	1%
Pineview	1%	1%	1%	1%
Sahali	9%	13%	13%	12%
Raleigh	1%	1%	1%	1%
Rosehill	0%	0%	1%	0%
Valleyview	14%	7%	6%	8%
Downtown	0%	2%	2%	1%
Westside	13%	9%	5%	8%
Juniper	0%	6%	5%	4%
Other	5%	2%	5%	4%
Refused	0%	0%	2%	1%