



ETRUSCAN'S GOLDEN

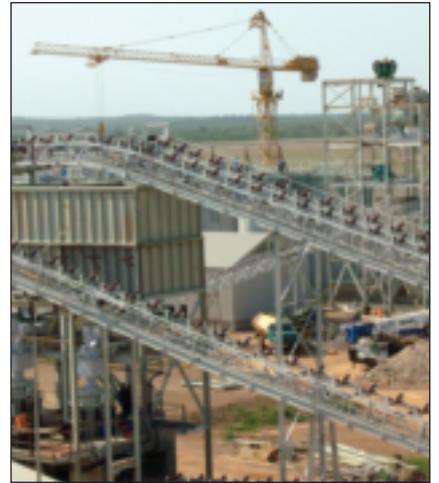
by Shaina Luck



RULE

When I ask Gerry McConnell why his company is developing social programs in West Africa, there's a long pause. The president and CEO of Etruscan Resources, a junior gold mining company from Bedford, Nova Scotia, mulls over my question in utter silence for a good 10 seconds. I'm so used to hearing glib corporate answers that I'm about to ask the question again. I assume he didn't hear me.

Etruscan, with the help of the Dartmouth and Wolfville Rotary Clubs, refurbished four classrooms and built three more at this school in Bossey Bangou, Niger. From the time that Etruscan became involved with the school in 1995, enrolment has grown from 50 to 405 students, almost 50 per cent of whom are female. Because of the success of the Bossey Bangou school, the Niger government has decided that a college (high school) will eventually be built in the community.



(Above) May, 2008: Gerry McConnell, president and CEO of Etruscan Resources Inc., with students in Youga, Burkina Faso. Etruscan has refurbished existing schools in Youga and built several other classrooms which they help maintain. (Above right) Etruscan's mine in Youga started production in March, 2008. (Below right) The late Dr. John Savage, former Premier of Nova Scotia, outside the CSI John et Margaret Savage de Touré medical clinic in Niger during its inauguration, December 1998. The clinic was built by Etruscan under Dr. Savage's guidance.

He did. His hesitation was over seeking the right words to communicate a very non-corporate passion for the community projects his company has been supporting since 1994. That was the year Etruscan went into Niger, seeking gold in a country that the United Nations ranks among the five poorest in the world.

McConnell says that after visiting Niger he was deeply moved by the discrepancy between his own lifestyle and that of the local people. "For the first time in my life I knew what the concept of nothing was," he says. "I was a lucky person to be able to live in Canada. I was lucky to be able to live in Nova Scotia, which was a paradise by way of comparison in every respect."

McConnell returned to Canada knowing that Etruscan would have to find ways to improve the lives of the people living near its work sites. "I personally feel morally obligated to do

whatever we can do," he says. "The issues in some of these countries are so massive, but you can't grab onto that as an excuse for doing nothing. Even if you do just little things it really does have a very substantial impact."

Etruscan began by investing in one school in a rural area, and expanded into drilling water wells, funding classroom construction, and transferring refurbished items like sewing machines and computers. Enlisting the help of Dr. John Savage (former Premier of Nova Scotia), the company constructed the John and Margaret Savage medical clinic in Niger. More recently, it established a maternity clinic close to its Youga mine in Burkina Faso. Etruscan has also made diverse investments in communities near its holdings in Mali, Côte d'Ivoire and South Africa.

In order to multiply its impact, Etruscan has always sought to be a 'facilitator' for other groups to get involved. Since the company knows the terrain, it's in a unique position to help, says Don Burton, Etruscan's chief operating officer. "People can give contributions, people can give donations in kind and ship them to Africa. But how do you know they get there?" he points out. Burton uses an example of some old





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(Top) The Etruscan-built CSI John et Margaret Savage de Touré medical clinic focuses on providing primary care to women and children. It services a rural population of about 15,000. (Above) Gerry McConnell, Janice Stairs, Hakim Ouazzani Touhami, Bob Harris and Don Burton with villagers and donated medication at a medical clinic in Youga, Burkina Faso. Etruscan refurbished the clinic in 2005 and constructed a separate maternity ward there in 2007. The company continues to regularly ship medication to the clinic and ward. (Below right) The Etruscan mine in Youga, Burkina Faso. It has a design capacity of 6,700 ounces of gold per month.

hospital beds that Nova Scotian hospitals were throwing away. The Dartmouth Rotary club, which has partnered with Etruscan for years, wanted to transport the beds to Africa in a shipping container.

Rotary came up with the funding for transport while Etruscan met the container at the port, shepherded it through customs, ensured that it made the 1,500-kilometre journey inland, and distributed the beds to hospitals.

Since one company acting alone has limited resources, this facilitation role becomes very important, says Gerry McConnell. “As a publicly traded company we have shareholders,” he says. “They can only make money if the company is successful in its exploration efforts in identifying mineral deposits.” McConnell estimates Etruscan’s social programs cost between \$150,000-250,000 a year, without counting serv-

ices and gifts in kind. That’s a fraction of the \$75 million the company spent on its Youga mine, which has just achieved commercial production, the company announced on July 9.

“But at the same time, as a junior resource company that has never made a cent of income in the 14 years that we’ve been in West Africa, the dollars that we have are very precious to advance the interest of the company and its shareholders,” McConnell says.

Which is why working with partners is so beneficial. Robert Earle, a pharmacist and member of the Dartmouth Rotary Club, gives an example of one way to help that doesn’t cost a cent. Rotary purchases discounted packages of medicine from another aid organization, and completes the paperwork to ship them to Africa. Then Rotary hands them over to Etruscan personnel who are traveling to Africa on business. The travel packs hold several months worth of medicine but they are small enough to count as one piece of luggage carried by the Etruscan traveler. The cost of shipping that same package via conventional means would range from \$600 to \$700.

Both McConnell and Burton emphasize the need to listen to the local community, rather than arriving with an outsider’s solutions. This is important in determining the kind of social help the community needs, and also in finding local workers – of which Etruscan has many. Don Burton says that of the 160 people Etruscan has working in exploration, only three of them are expatriots. Some North American companies tend to give local workers more menial tasks, but Burton says Etruscan places local workers in management positions.

“They just blossom,” he says. “You hire them and you really empower them



and let them know that we want [them] to advance professionally through our company.”

He recalls traveling with a Malian manager recently hired by Etruscan. As they were about to board a train, the man shook hands and said good-bye, which puzzled Burton. “I said, ‘Jim, we’re getting on the same train, we can talk.’ He looked at me and he said, ‘But aren’t you in business class?’”

Burton took out his ticket to compare with the manager’s ticket. “He said, ‘You’re sitting beside me in economy.’ He just started laughing. He slapped his knees and said, ‘That’s crazy. I’ve never seen people behave like that.’”

As a result, Etruscan has created a corporate philosophy that its employees can identify with. “Some of my senior colleagues are headhunted on a regular basis,” says Burton. “They’ve offered, without exaggeration, salaries at twice the level of what we’re able to pay, but they stay with the company.”

The reputation that comes with “doing the right thing” also makes good business sense. “Other companies may not get the attention that they could, trying to work with the ministries or the administration,” he says. “But the door is always open to Etruscan to come through and get business done.”

Sometimes it’s discouraging to swim against the general reputation that comes with the international mining industry. “It’s a fact,” says Gerry McConnell. “Mining companies have not done a good job (of practicing social responsibility).”

He thinks, however, that change is in the wind. Other junior mining companies in West Africa are running development programs; he references Orezone, a gold company based in Ottawa. “I think that mining companies more and more are recognizing that...if they don’t conduct themselves as good corporate citizens and try to help the communities where they’re operating, that the potential for adverse consequences to their company starts to go up,” he says.

Etruscan got into development work because it was the right thing to do, says McConnell. “I just think it comes back to how you want to be treated yourself,” he says. It seems appropriate that while digging for gold, he sums up the Etruscan philosophy as the golden rule. ■

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