

Room for improvement

Why Husky Energy needed a culture change following 2017 iceberg incident

One of Trevor Pritchard's key tasks when he took over as Husky Energy's top executive in Atlantic Canada was to deal with the fallout of the *SeaRose* iceberg incident.

On March 29, 2017 an iceberg entered *SeaRose's* 0.25 nautical mile Ice Exclusion Area. The Calgary-based company's Ice Management Plan required it to be disconnected and sail away. Instead, the 84 people on board *SeaRose*—the floating production, storage and offloading vessel located at Husky's White Rose oil field—were at one point told to brace for the impact of an iceberg that was estimated to have a mass of between 58,000-68,000 tonnes.

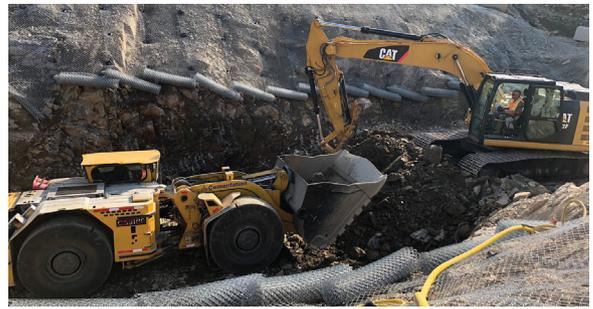
The iceberg never hit the *SeaRose* (pictured below), but the close call saw the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) launch an enquiry into the incident. It also cost Malcolm MacLean, Husky's senior vice-president for the Atlantic region since 2012, his job. Pritchard replaced him. It's likely no coincidence that he was the company's head of safety before he took on his new role.

The C-NLOPB's final enquiry report released in August 2018 found that since the iceberg incident occurred, Husky has taken several steps to ensure the events on March 29 never happen again. Some of the key changes include a comprehensive review of its ice management and emergency response plans with improvements made and implemented, changes communicated to onshore and offshore employees with an emphasis on the importance of following procedure, and two independent third party reviews of the Husky organization.

The buck stops with Pritchard though. One of his first tasks when he was appointed was to regain the C-NLOPB's and the public's trust when it comes to safety in Newfoundland and Labrador's offshore. "The first few weeks [on the job] was getting re-orientated with the business. Getting a licence to operate was the immediate piece to it," Pritchard says. "With that, it gave me a good insight into how we were managing our management systems, and our reactions and our culture. That's why we said we'd do some form of cultural transformation. Not that everything is totally broken, but we needed to make some cultural tweaks."



Photo courtesy Husky Energy



Anaconda digging for gold in Nova Scotia. Photo courtesy Anaconda Mining

Going for gold

Anaconda Mining takes a stab at mining for profit in Nova Scotia's Eastern Shore

Anaconda Mining Inc. is a familiar face in Newfoundland and Labrador thanks to its gold mining operations in the Baie Verte mining district. But the Toronto-based junior miner is doing its best to make a name for itself in Nova Scotia as well.

Its Nova Scotia operations are focused on the Goldboro project. The company added the project to its portfolio in 2017 when Orex Exploration Inc. (the company that owned Goldboro) became a wholly-owned subsidiary of Anaconda. Anaconda has since been working on a plan to mine Goldboro and ship the ore to its Pine Cove processing mill in central Newfoundland. "We're trying to establish our presence there and get people to know who Anaconda is because we are the new player in Nova Scotia," says Gordana Slepcev, Anaconda's COO.

The Goldboro project is 185 kilometres northeast of Halifax in an area that has had producing gold mines in the past. A preliminary economic assessment released in January 2017 provided a case for developing an open pit and underground mine. The base case assumes a long-term gold price of \$1,550 per ounce and the mine would produce an average of 41,700 ounces of gold annually. Goldboro would have a mine life of approximately nine years. Slepcev says the pre-production cost to build the mine is estimated to be \$47 million, and \$89 million in total costs.

Anaconda started a 10,000 tonne underground bulk sample at Goldboro in October and expects to complete it by December. Slepcev says the bulk sample is part of a larger effort to complete a feasibility study that will provide a detailed account of the geology, mine infrastructure and plan, capital costs and more. If the feasibility study (to be completed by the fall of 2019) shows Goldboro can be mined economically, Anaconda can use it to obtain financing to build the mine.

Slepcev says a green-lighted Goldboro will result in a nice boost of employment for the area, located in Guysborough County. She says between 150-200 people will be employed at the mine during peak construction and underground mine development. "We want to get it approved and into production as soon as possible," she says.