



OMA OFFERS SOME IDEAS TO FINANCE MINISTER ECKER

In late January 2003, the Ontario Mining Association met with Finance Minister Janet Ecker and made its pre-budget submission. The OMA presented evidence on the basic contributions the industry makes to the society and economy of Ontario and the harsh realities of mineral commodity economics.

Specific concerns on issues impacting the cost structure of the mining industry at this time, which were presented included electricity, premiums paid to the Workplace Safety and Insurance Board (WSIB), property taxation which could penalize companies for environmental protection measures and questionable environmentalism.

From the OMA's perspective, the government has encountered some difficulties in moving towards a genuine market in electricity (see article below), the increase in WSIB premiums needs clarification in light of the sector's improving safety performance, the need for a decision related to a municipality raising property taxes based on mine rehabilitation activities and in the case of OMYA (Canada) the need for a greater base for science in environmental decision making (see article below).

Within government, the Ministry of Northern Development and Mines



represents the industry at many different levels and is a contributor to the success of the industry in the province. Related to this Ministry, the OMA recommended that the government continue funding geoscience programs such as Operation Treasure Hunt, that it continues and expands funding for a geoscience library with access to information available through the internet, that it continues funding for the abandoned mines program to ensure safety and environmental surety and that it provides funding to assist First Nations to understand and expand their capacity to deal with resource developments in their traditional areas.

MINISTER'S DECISION SUPPORTS SCIENCE

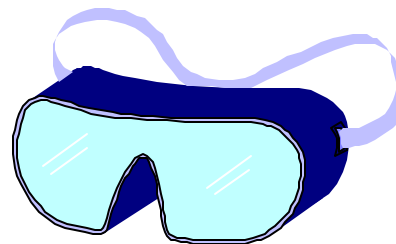
Environment Minister Chris Stockwell has accepted an appeal from OMYA (Canada) and overturned a decision of the Environmental Review Tribunal.

This decision will allow OMYA (Canada) to increase its water take from the Tay River in Eastern Ontario for its calcium carbonate operations. Mr. Stockwell's action restores a decision several years ago and supported by two years worth of scientific and environmental studies which found that OMYA (Canada's) proposed increase in water usage would not have a negative impact on the sustainability of the Tay River and nearby Bob's Lake water supplies.

The ruling by a one-person Environmental Review Tribunal (ERT) has been said by many to make light of scientific and environmental evidence and approvals by many governments. Prior to the decision of the one-person ERT, in the two prior years, the following agencies conducted reviews and/or contributed to studies and approved OMYA's plan for using and monitoring the use of water from the Tay River. On the federal side, there was the Coast Guard, Department of Fisheries and Oceans, Environment Canada, Department of Indian Affairs and Northern Development, Natural Resources Canada and Parks Canada. Provincially, the Ministry of Environment, Ministry of Natural Resources and Rideau Valley Conservation Authority had a hand in the process.

Mr. Stockwell has taken the step of restoring justice to this situation and he deserves to be saluted for taking that action. OMYA is the world's top manufacturer of white fillers such as calcium carbonate and talc. At the Perth plant and Tatlock Quarry, OMYA (Canada) mines and processes high-quality calcium carbonate, a natural,

limestone-based, environmentally beneficial product with multiple everyday consumer and industrial applications. The calcium carbonate is used in the manufacture of paper, paint, plastic, food and pharmaceuticals among other products. Directly and through contractors, OMYA (Canada) employs more than 250 people contributing up to \$20 million annually to the local economy. Recently, the company received ISO 14001 certification for environmental management.



CONGRATULATIONS FOR THESE SAFETY SUCCESSES

In 2002, Agrium Inc.'s phosphate operation near Kapuskasing reported zero lost time accidents. This open pit mine and mill produced 96,000 tonnes of ore in 1999, its first year of operation and in 2002, the mine processed one million tonnes of ore.

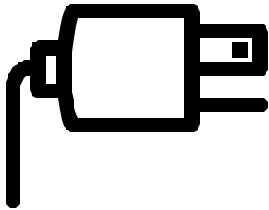
The Mines and Aggregates Safety and Health Association (MASHA) has extended its safety recognition award program to the following winners in 2002 based on lowest medical aid frequency. Total medical numbers are in brackets.

In the underground mine with fewer than 1,000 employee category, David Bell Mine was the winner (1.0). In the underground mine with more than 1,000 employee category, Falconbridge Kidd Creek (8.3) was the winner. In the open

pit/surface mine category, Agrium earned the top position (0). In the diamond drill contractors category, Boart Longyear won (7.9) and among mine contractors Canadian Mining Development won (3.1).

Congratulations to all these operations and their employees.

The provisional mining group injury statistics from MASHA indicate an increase in the lost time injury frequency for the year ending December 31, 2002. The rate for 2002 was 1.4 compared with 1.3 in 2001. However, the total medical aid injuries frequency continues to trend downward with a 2002 frequency of 9.0 compared with 9.4 in 2001.



NEITHER FISH NOR FOWL: ELECTRICAL CROSSROADS

The government has been forced to retreat from its path to create a genuine marketplace for electricity in Ontario. Let's hope the step back is temporary. The province desperately needs more generating supplies of electricity, greater decontrol of the market on the part of Ontario Power Generation Inc. and a halt to the increase in the province's electrical related debt. The Association made a submission to Energy Minister John Baird concerning the price freeze instituted in the marketplace and other issues.

The Ontario Mining Association on behalf of its members has supported the

government's initiatives to create a genuine electricity market in the belief that customer choice and competition would be better for the economy and society of the province. Also, it would provide companies with a more realistic opportunity to control a major cost input – electricity – into mineral production. The opportunity to manage electricity costs is a welcome business alternative to the take-it-or-leave-it offer and rates of a monopoly.

Mining companies have invested heavily in equipment and human resource training to prepare for the advent of an electricity marketplace in Ontario. Along with the energy efficiency gains, miners are being innovative in the areas of load shifting and dispatchable loads and in exploring cogeneration and renewable energy possibilities. These companies aim to be responsible participants contributing towards making the electricity market work in Ontario for the benefit of consumers and the economy in general.

The OMA supported government action to shift the focus of the Ontario electricity system from the needs of a large monopoly to the needs of the consumer. It still believes this can be most effectively achieved in a competitive, consumer-oriented market. That is why although, the OMA can appreciate the government's situation and its rationale in instituting a price freeze at 4.3 cents Kw/hr, the Association hopes this is a short-term measure to deal with a temporary situation.

The OMA sees Bill 210 as a bridge to help get from an unregulated monopoly to a genuine market in electricity. The OMA is pleased to learn in a letter from

Energy Minister John Baird that “reform of the electricity generation market, not short term price mitigation, remains the government’s principle objective.”

There is a proverb which states “In the evolution of the commerce of a commodity from monopoly to competition, a small stumble or two may prevent a tragic fall.” The OMA sincerely hopes the government will use the breathing space it has created to get on with the job and build the environment for a true electricity market to flourish.

Throughout this effort, the government has regularly stated that its guiding principles are:

- ◆ Protecting consumers and offering more choice;
- ◆ Ensuring a strong business climate with a reliable supply of electricity;
- ◆ Protecting the environment; and
- ◆ Encouraging new ways of doing business and new sources of power.

The OMA would encourage the government to continue on its course to enhance the supply of electricity in Ontario and create a “real” market. The full name of the *Electricity Competition Act*, or Bill 35, is “*An Act to create jobs and protect consumers by promoting low-cost energy through competition, to protect the environment, to provide for pensions and to make related amendments to certain Acts.*” Let’s complete the good intentions expressed in the name of this legislation.

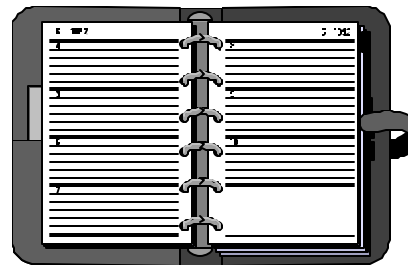
SAFETY PEOPLE ON THE MOVE

Jill Hutcheon, former Deputy Minister of Labour in Ontario, has been appointed as Vice President of Policy and Research at the Workplace Safety and Insurance

Board. Moving up the ranks within the Ministry of Labour is **Paavo Kivisto** who is the new Deputy Minister. Previously, Mr. Kivisto was director of the mining safety program and assistant deputy minister of Labour.

HERE’S A REALITY CHECK TO KEEP IN PERSPECTIVE

Where does mining fit in the intricate world of global capital markets? Consider this. Recently, AOL took a goodwill write-down of US\$99.2 billion. That write-down is roughly equivalent to the market capitalization of the top five global mining companies (BHP, Rio Tinto, Anglo American, Alcoa and Alcan), which represents 80% of the world’s base metal industry.



PLEASE MARK YOUR CALENDARS FOR 2003 AGM

This October, the Ontario Mining Association will be combining its annual general meeting, a mine managers meeting and a board of directors meeting with political meetings and workshops to create a special industry event. A workshop similar to the OMA’s “*Sustainable Mining in the 21st Century*” conference, which was held September 26 to 28, 2001 at Horseshoe Valley, north of Barrie, is being planned.

The dates are October 1 to 3, 2003. The location is the Hockley Valley Resort east of Orangeville and north of

Highway #9. More details about the program will follow but in the meantime, please mark your calendar.



MINERS ON THE MOVE

At Barrick Gold, **Gregory Wilkins** has been appointed President and Chief Executive Officer. He started working with the company 20 years ago and has been a director for the past 12 years. When Chief Financial Officer of Barrick in 1993, Mr. Wilkins became President of Horsham Corp., which at the time was the controlling shareholder of Barrick. Mr. Wilkins replaces Randall Oliphant.

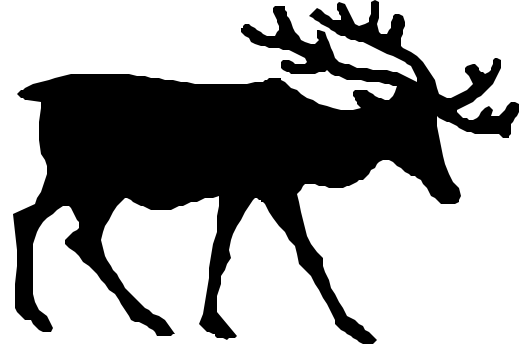
Warren Holmes has been appointed President and Chief Operating Officer of Nuinsco Resources. The former Falconbridge executive was a Director of Ontario Mining Association for a number of years and has served as Chairman of the Association.

Former Falconbridge President and Chief Executive Officer, **Øyvind Hushovd** has joined the Board of Nuinsco Resources.

At the Mining Association of Canada, **Daniel Tessier**, Director of the Mining Works for Canada program, has shifted gears to become Vice President Public Affairs at the Canadian Automobile Association.

Stephen A.W. Knapp is the new Executive Director of the Canadian

Copper and Brass Development Association. He replaces Arnold Knapp who was with the Association for 43 years.



GIVING CARIBOU MORE ROOM FOR ROAMING

Woodland caribou have been designated as a “species at risk” in Canada. The province has been asked to develop a Woodland Caribou Management Program to ensure the species does not fall into the “endangered species” ranks and the number of animals is increased.

The Ontario Ministry of Natural Resources established a Woodland Caribou Advisory Committee (WCAC) made up of representatives from government, industries which share the caribou’s habitat (forestry, tourism, mining, trapping, angling and hunting) and environmental groups. OMA President Patrick Reid represents operating mines on this Committee.

The WCAC has developed a set of recommendations to be considered by MNR’s Woodland Caribou Recovery Team. While the ministry has not provided a great deal of clarity as to what outcome it expects from this exercise, it appears there are two main objectives.

The first is to increase land area where the caribou can roam without fear of predators, including man. The second is to have whatever lands they add to be removed from potential use by industries such as mining and forestry. This would include a moratorium on roads in the forests where caribou travel.

According to Wildlife Canada, the number of caribou in Canada is estimated at 188,860 with 20,000 in Ontario. MNR has yet to confirm or deny these estimates and it has not provided the criteria for removing woodland caribou from the “species at risk” category in Ontario.

The OMA and other business representatives are pursuing a position that would ensure that any additional land set aside for the Woodland Caribou would remain multi-purpose, that MNR develop a predator management protocol and that MNR communicate the progress with all other affected ministries (including Northern Development and Mines) before making any final decisions.

FINDING DIAMONDS CAN TAKE FOREVER

As the diamond industry continues to evolve in Canada – and Ontario – it should not be forgotten how rare these gems really are. Of the total number of kimberlites (host rock formation for diamonds) discovered worldwide, only 12% contain any diamonds and of those only 4% show sufficient potential to merit further evaluation and only 0.7% have become producing mines.

De Beers is proceeding with a feasibility study on its Victor Diamond Project near

Attawapiskat, which is expected to be completed by the end of 2003. The company has signed a Feasibility Partnering Agreement with the Attawapiskat First Nation. It contains a framework for dealing with issues such as environmental monitoring, health and safety, permitting and business opportunities for the community on James Bay. De Beers Canada is also providing financial support for education and training and to promote economic and social development.



HOW OTHERS SEE US

“I recognize the important contributions that are made by the mining industry toward job creation and Ontario’s economy. The Ministry of the Environment is committed to continue working closely with the mining industry to achieve our common environmental protection and economic goals.”

-- excerpt from a letter sent to the OMA from Hon. Chris Stockwell, Minister of the Environment.

ONTARIO SLIPS ON FRASER ATTRACTIVENESS RANKING

Ontario has slipped from being tied for first place last year to being tied for sixth place this year in the Fraser Institute’s sixth Annual Survey of Mining Companies. The survey by the think tank ranks various jurisdictions on an Investment Attractiveness Index, which is made up of two factors, geology or

mineral potential and government or policy factors.

While Ontario was tied with Brazil with a score of 83, Chile came out on top with a score of 94, followed by Quebec at 90, Australia at 89, Nevada 86 and Peru at 84. Less attractive jurisdictions for new mineral investment included Wisconsin at 13, Nova Scotia at 24, Russia at 63 and British Columbia at 54.

The 158 companies which participated in the survey represent a sizeable component mineral exploration expenditures in various regions of the world.

CAMESE DIRECTORY IS NOW AVAILABLE

In recent years, mining industry service companies have come to play a larger role in the success of mineral producers. The expansion of the mining service sector shows up in employment numbers. For example in Sudbury, it is estimated there are 6,100 direct mining jobs and 8,000 indirect mining jobs in the supply and service sector.

To get a handle on where some of these people work, the Canadian Association of Mining Equipment and Services for Export (CAMESE) has released its *Compendium of Canadian Mining Suppliers*. The 164-page book contains profiles of more than 250 mine supply companies and other information.

CAMESE is a trade association that exists to help Canadian mining suppliers to export to world mining markets and to assist foreign buyers, dealers and others in finding suitable Canadian business partners in the mining supply sector. For

further information call (905) 513-0046, or see the website at minesupply@camese.org.

GOLD: MORE THAN JUST A PRETTY METAL

The Canadian Institute of Mining, Metallurgy and Petroleum and the World Gold Council are teaming up for a conference on "New Industrial Applications for Gold." This event is being held September 28 to October 1, 2003 in Vancouver at the Westin Bayshore Resort and Marina. The purpose of the conference is to encourage new industrial applications for gold. For further information go to conference website at www.gold2003.org.



**“IF YOU ARE A SMOKER,
STOP!
IF YOU ARE NOT,
URGE YOUR FRIENDS TO
STOP SMOKING.”**

For further information on items contained in this newsletter, please contact Peter McBride at the OMA office, Atrium on Bay, Suite 320, 40 Dundas Street West, Toronto, Ontario M5G 2C2. Tel: (416) 364-9301; Fax: (416) 364-5986.

**OMA MEMBERS:
EQUIPMENT SUPPLIERS,
SERVICE COMPANIES
AND CONSULTANTS**

[Boart Longyear Inc.](#), P.O. Box 330, 1111
Main Street West, North Bay, ON P1B 8H6,
Tel: (705) 474-2800, Fax: (705) 495-3191

Cambrian Alliance Protection Services Inc.,
1106 Kingsway, Sudbury, ON P3B 2E5,
Tel: (705) 524-1519, Fax: (705) 524-1940

[Church & Trought Inc.](#), 41 Valleybrooke
Drive, Suite 101, Toronto ON M3B 2S6,
Tel: (416) 391-2527, Fax: (416) 391-1931

[DuPont Canada Inc.](#), P.O. Box 2200,
Streetsville, Mississauga, ON, L5M 2H3,
Tel: (905) 821-3300, Fax: (905) 821-5510

[Dynatec Corporation, Mining Services
Division](#), 9555 Yonge Street, Suite 200,
Richmond Hill, ON, L4C 9M5, Tel: (905)
780-1980, Fax: (905) 780-1990

[Earth Teck Canada Inc.](#), 105 Commerce
Valley Drive West, 7th Floor, Markham, ON,
L3T 7W3, Tel: (905) 886-7022, Fax: (905)
886-9494

ESG International, 361 Southgate Drive,
Guelph, ON, N1G 3M5, Tel: (519)
836-6050, Fax: (519) 836-2493

[Golder Associates Ltd.](#), 2550 Argentia
Road, Suite 213, Mississauga, ON, L5N
5R1, Tel: (905) 819-0600, Fax: (905) 819-
9922

[Hatch Associates Limited](#), 2800 Speakman
Drive, Sheridan Science and Technology
Park, Mississauga, ON, L5K 2R7, Tel: (905)
855-7600, Fax: (905) 855-8270

[Jacques Whitford Environmental Limited](#),
1200 Denison Street, Markham, ON, L3R
8G6, Tel: (416) 495-8614, Fax: (905) 479-
9326

[Johnson Matthey Ltd.](#), 130 Glidden Road,
Brampton, ON, L6W 3M8,
Tel: (905) 454-6877, Fax: (905) 454-6887.

[J.S. Redpath Limited](#), P.O. Box 810, North
Bay, ON P1B 8K1, Tel: (705) 474-2461,
Fax: (705) 474-9109

[Knight Piesold Consulting](#), 20 Bay Street,
Suite 1205, Toronto, ON, M5J 2N8, Tel:
(416) 214-1121, Fax: (416) 214-1134

[Lakefield Research Limited](#), 185
Concession Street, Postal Bag 4300,
Lakefield, ON, K0L 2H0, Tel: (705) 652-
2000, Fax: (705) 652-6365

[R.C. Moffatt Supply Limited](#), P.O. Box 13,
Atikokan, ON, P0T 1C0, Tel: (807) 597-
6060, Fax: (807) 597-5871

[Rotesco Inc.](#), 120 Melford Drive, Unit #10,
Scarborough, ON, M1B 2X5, Tel: (416)
291-9821, Fax: (416) 291-4343

[Sandvik Tamrock Canada Ltd.](#), 100 Magill
Street, Walden Industrial Park, Lively, ON,
P3Y 1K7, Tel: (705) 692-5881, Fax: (705)
692-5313

[SNC Lavalin Engineers & Constructors Inc.](#),
2200 lakeshore Blvd. West, Toronto, ON,
M8V 1A4, Tel: (416) 252-5311, Fax: (416)
231-5356

Wardrop Engineering Inc., 725 Hewitson
Street, Thunder Bay, ON, P7B 6B5, Tel:
(807) 345-5453, Fax: (807) 345-8708