



MINING MATTERS

CLEARER ENVIRONMENTAL RULES WOULD BENEFIT ALL

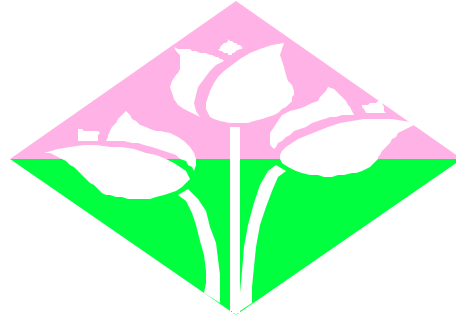
At the 16th Industrial Minerals International Congress held recently in Montreal, Olivier Chatillon, President of OMYA (Canada) Inc., delivered a speech on mining and environmental issues. Excerpts from that speech follow.

“It is in our industry’s self-interest to be constantly searching for new knowledge and for proven, feasible technologies and practices that improve the environmental sustainability of our business. In my experience, most people are reasonable: They do not expect perfection, but they do expect best efforts and they expect us to be always trying to improve. These should be our goals and ones which we communicate more often, more proactively and more effectively.

“We must work more closely with public authorities to strengthen sustainable environmental regulation. . . . Let me explain why I think this is in the best interest of everyone – both for our industry and for the larger public interest.

“In many countries – including the highly developed one in which we meet today – environmental rules, regulations and procedures have evolved quickly in an ad hoc fashion over the last 20 or 30 years. In content terms, that has resulted

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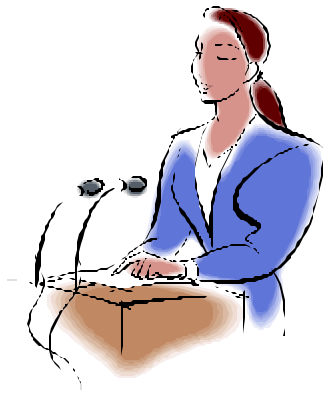
APRIL 2003

in a confusing patchwork of policies. Some are formal laws and regulations. Others are guidelines, yet others policy statements, still others just policy directions expressed by people with, or without, authority.

“At the two extremes, simple policy statements and formal legislation are sometimes presented to the public and to industry as having similar weight and importance, but of course, they do not. This results in confusion, in wrongly placed emphasis and resources, in raised expectations and in unnecessary conflict and disappointment. . . .

“What can be done to strengthen environmental regulation, as I am advocating? In my view an excellent starting place would be to separate more clearly scientific analyses from public policy analyses. Both are obviously legitimate and necessary but they are not especially good bedfellows. . . . We need to find ways to separate legal/scientific

for the policy/political – and to accommodate both. We must work closely with the media to improve reporting on technical and scientific issues. Finally, we must do what we can to assist the media in better coverage of environmental issues related to our industry.”



OMA AGM TO FEATURE COMMUNICATIONS SESSION

At the annual general meeting of the Ontario Mining Association, planned for October 1 to 3, 2003, an interactive constituency relations workshop, will be part of the program. Corporate communications and public affairs specialist Wes Muir will conduct the session at the “*Framework for the Future*” conference.

The workshop will focus on the importance and development of a constituency relations strategy. It will assess the impact of the issues affecting a company, identifying constituencies, influencing and mobilizing allies, achieving consensus and message development, delivery and maintenance. Participants will leave with valuable and easy to understand tools that they will be able to implement immediately in their own work environments.

Other plans are progressing well in the development of the program for the conference. The kick-off speaker for the opening night reception and dinner is the Mayor of Timmins Jamie Lim. Mining operations need to work closely with the communities where their employees and their families live. Ms. Lim will be offering a perspective on how communities and companies can work together more cooperatively for the benefit of all.

On Thursday, October 2, 2003, there will be sessions dealing health and safety, energy and the environment. Peter Strahlendorf will be joining us to lead a session on safety and the Internal Responsibility System. Also, Paavo Kivisto, Deputy Minister of Labour, will be joining us.

The energy hour will have Mary Ellen Richardson, recently appointed President of the Association of Major Power Consumers in Ontario, as a speaker along with a representative of the federal government dealing with Kyoto Accord compliance. The environmental hour will deal with current initiatives and measures being taken by companies and the Ministry of Environment.

The communications session will be held in the afternoon on October 2. Thursday evening will be topped off with a reception and dinner and entertainment provided by Don Harron impersonating his alter ego Charlie Farquharson.

He can be expected to offer some comments on the characteristics of many of the people who will be in the room. It could be an entertaining event, which you certainly won't want to miss.

Registration for the “*Framework for the Future*” conference has started and with the generous support of sponsors the program continues toward completion. If you have any questions, please call Peter McBride at the OMA.



MINERS ON THE MOVE

At North American Palladium Ltd., **André J. Duchane** has been named President and Chief Executive Officer. He is a mining engineer with more than 30 years experience at operations in the United States, Latin America and Australia.

Bruce Humphrey has been promoted to the position of Senior Vice President and Chief Operating Officer at Goldcorp, which operates the Red Lake Mine – the richest gold mine in the world.

Richard Allan has moved from Manhattan Minerals to take on the duties of Manager of Engineering and Development at Barrick Gold.

At Golder Associates Innovative Applications, **Karlis Jansons**, who joined the company in 1995, is the new mine services leader.

ASSOCIATION PEOPLE ON THE MOVE

Mary Ellen Richardson has been appointed President of the Association

of Major Power Consumers in Ontario (AMPCO). She has varied experience in dealing with energy issues in the electricity and natural gas sectors. Ms. Richardson officially starts her new duties on June 1, 2003. She succeeds Arthur Dickinson who is retiring after a distinguished career in the energy industry including his term as AMPCO President starting in 1991.

The mining industry benefited from a close working relationship with Mr. Dickinson during his tenure at AMPCO. The OMA worked cooperatively with AMPCO on a multitude of concerns related to electricity and the evolution of a competitive electricity market in Ontario. The OMA extends congratulations to Arthur for a job well done and extends sincere best wishes for an enjoyable and productive retirement.

The Association of Major Power Consumers Ontario is a province-wide industry organization that advocates competitive electricity rates and promotes a reliable supply of electricity for all customers. AMPCO members represent a wide range of mining, other resource, manufacturing and processing industries that require significant quantities of electrical energy. Its mission is to promote the global competitiveness of Ontario industry through an efficient, competitive electricity market and an open, reliable, economic transmission and distribution network.

At the Ontario Energy Association, **Adam White** has been appointed Vice President Public Affairs and External Relations. He joins the OEA with a broad range of experience in energy and environmental issues.

PROVINCIAL REGULATORS ON THE MOVE

Ontario Energy Minister John Baird recently announced the appointment of **Howard Wetston** as the new Chair of the Ontario Energy Board. He is currently vice-chair of the Ontario Securities Commission and in the past he has been a federal court judge and director of the federal Bureau of Competition Policy.

Mr. Baird also announced the revamping of the Ontario Energy Board, which will be self financing. An advisory committee of consumer and industry representatives is to be set up to establish performance standards for the “new” Ontario Energy Board.



INCO EARNS ENERGY AND ENVIRONMENTAL AWARDS

Ontario’s mining industry is a leader in improving energy efficiency and environmental commitment. Nickel producer Inco recently received two honours, which recognize its excellence on the energy and environmental fronts.

For displaying “extraordinary commitment, action and leadership toward the voluntary reduction of greenhouse gas emissions” Inco has

received a Leadership Award for greenhouse gas reduction from Canada’s Climate Change Voluntary Challenge and Registry (VCR).

“For the past decade, we’ve been working hard to reduce greenhouse gas emissions through a program of energy conservation and awareness in our operations,” said Scott Hand, Inco Chairman and Chief Executive Officer. “Our employees understand that wise energy use not only makes good business sense, but it also has a significant impact on greenhouse gas emissions. They’ve done a great job and I want to thank them for their continuing commitment to this important objective.”

Between 1990 and 2001, Inco has reduced its carbon dioxide emissions by 8 percent (Canada’s Kyoto Protocol target calls for a greenhouse gas reduction of 6 percent from 1990 levels). Over the same period of time, Inco has reduced its energy consumption by 15 percent.

These results have been achieved while the company increased its energy consumption to meet other environmental regulatory requirements and operations changes. Inco’s report to the VCR received 96 out of 100 points and earned the company the designation Gold Level reporter for the fourth consecutive year.

Meanwhile, the Canadian Industry Program for Energy Conservation (CIPEC), presented Inco an Industrial Energy Innovator Award in recognition of its energy efficiency gains. As a method of dealing with rising electricity and natural gas prices, in 1999 Inco

launched its “Power Play” program and evaluated hundreds of ideas from employees.

The “Power Play” program relies on a combination of outreach and educational initiatives to inspire fresh ideas. According to John LeMay, Inco’s Project Manager Energy Conservation, co-operation has been the key to success.

“The results represent a lot of hard work by a lot of people,” he said. “Once individual employees began to champion the cause of energy efficiency, the program really took off.”

“Power Play’s” first participants were the 500-plus employees at Inco’s smelter in Sudbury. Each worker was contacted directly to solicit ideas on how to reduce energy consumption. Hundreds of ideas were generated within the first year and each one was evaluated and many were adopted quickly.

Some ideas were simple such as an employee offering to come to work early to turn on a heater prior to the day shift instead of heating the area 24 hours a day. This alone saved \$20,000 annually in energy consumption. Other ideas were more complex and required investments in research and equipment.

A research project discovered that a one-degree reduction in the regulator which controls the internal temperature of the smelter’s oxygen plant would not compromise efficiency. The result was a saving of \$100,000 annually.

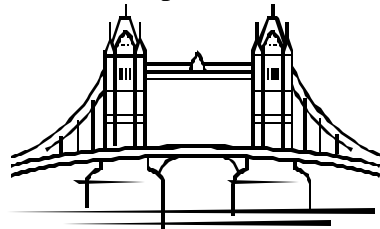
The CIPEC award won by Inco was adjudicated by the National Advisory Council on Energy Efficiency and the Office of Energy Efficiency.

Congratulations to Inco and its employees for the tangible results achieved from their initiatives and efforts.

PDAC LAUDS FALCONBRIDGE’S ENVIRONMENTAL EFFORTS

Falconbridge Limited has been named the recipient of the Prospectors and Developers Association of Canada environmental award for 2003. The nickel producer was recognized for its commitment to sustainable development and to fostering the environmental, economic and social well-being of the communities in which it operates.

The PDAC named Alex Davidson, Senior Vice President Exploration at Barrick Gold, winner of the Bill Dennis Prospector of the Year Award. BHP Billiton received the PDAC’s Viola R. MacMillan Developers Award.



HELPING BUILD BRIDGES WITH FIRST NATIONS

The Nishnawbe Aski Nation is looking for a Mining Coordinator to be based in its Thunder Bay office. The person will be responsible for reviewing, researching, analyzing, and developing policy recommendations related to the mining and minerals sector. This candidate will have an important role in improving the Nishnawbe Aski Nation’s understanding of the role and impact of mining activity in its traditional territories. The telephone number at the NAN office is 1-807-623-8228.



NEW STOCK MARKET CAN BENEFIT SMALL COMPANIES

Regulatory approval has been given to let the Canadian Trading and Quotation System Inc. (CNQ) start business by the summer. CNQ was first proposed about two years ago. This electronic quotation system is designed to help small – and micro – capitalized companies raise funds and have a market for their shares.

The CNQ expects to start business with about 50 listed companies, which are too small to make it on the Toronto Stock Exchange or TSX Venture Exchange. The entry fee to be listed on the CNQ is modest relative to larger exchanges and requirements include a minimum of 500,000 free trading shares, 150 shareholders, \$50,000 share value and \$100,000 working capital.

“We’ve structured it so that there’s enough shares out there to create a market, without setting the bar so high that the company would have needed several years of exposure to public markets before they can reach the critical mass that’s needed,” said CNQ President Robert Cook, a 19-year veteran of the Toronto Stock Exchange.

CNQ is expected to be of interest to the junior mining sector. With small firms

leading the way in net job creation these days and being seen as leaders in innovation, it is important for a supportive financial institution environment.

NEW MINERAL PROPERTY VALUATION GUIDE CREATED

The Canadian Institute of Mining, Metallurgy and Petroleum has given its stamp of approval on the final version of the “Standards and Guidelines for Valuation of Mineral Properties.” The report has two sections – standards and guidelines. The standards section covers definitions and the qualifications and responsibilities of valuers. The guidelines section elaborates on the standards and provides information on the correct use of terms such as “mineral reserves” and “mineral resources.”

Based on recommendations by the Toronto Stock Exchange’s Mining Standards Task Force and the Ontario Securities Commission, the CIM started up its Valuation of Mineral Properties Committee. The mandate was to create uniform and unambiguous rules for the Canadian mining industry, securities regulators and stock exchanges.

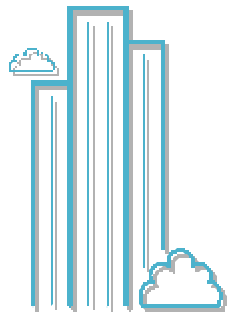


DIAMOND UPDATE FROM DE BEERS

De Beers Canada reports that its Victor project, west of the community of Attawapiskat in the James Bay Lowlands of Northern Ontario, is

currently undergoing a feasibility study. De Beers plans on completing this study, as well as the necessary agreements with the Attawapiskat First Nation, during 2003. This will allow for a decision to be made on the further development of the Victor property. This could lead to the first Canadian diamond production outside of the Northwest Territories by the year 2007. In 2002, De Beers invested about US\$29 million on diamond exploration projects in Canada.

De Beers is also sharing costs on a project with the Ministry of Northern Development and Mines to develop a glossary of mining and exploration terminology. This glossary would be translated into Cree, Oji-Cree and Ojibway languages.



WHAT ONTARIO MINE IS NEAR 70 STOREY TOWERS?

Okay test your knowledge of mining in Ontario. What mine headframe in Ontario is virtually in the shadow of 70 storey officer towers?

If you are interested in seeing this mine, a limestone operation and a sampling of Ontario's \$150 million-per-year oil and gas business, the field trip planned by the Toronto Branch of the Canadian Institute of Mining, Metallurgy and Petroleum should be included in your travel plans. The field trip, which is

being held June 16 and 17, 2003 costs \$225 and includes bus transportation, hotel accommodation, two lunches, one dinner and guidebook. Space is limited, so if you are interested call Ken Steele at 416-314-3800 or reach him by e-mail through ken.steele@ndm.gov.on.ca.

If you haven't guessed already, the answer to the question is The Canadian Salt Company's Ojibway Mine in Windsor. This operation, which is Canada's most southerly mine, is perhaps the most urban mine in North America. It goes under the Detroit River, touches the international boundary and is within site of the multi-storey towers of Detroit's Renaissance Centre.

NORANDA EXPANDS RECYCLING BUSINESS

Noranda is investing \$3 million and creating 20 jobs with the creation in Brampton of the first new Canadian recycling facility for electronic hardware. Noranda Recycling is being developed in response to the increasing volume of end-of-life electronics in Canada.

CHANGES EXPECTED IN CORPORATE LIABILITY

The federal Department of Justice is working on changes to the criminal code which could see charges of criminal negligence laid against employers who demonstrate a reckless disregard of duty to avoid foreseeable harm leading to bodily harm or death. The Standing Committee on Justice and Human Rights has presented this recommendation to the Department of Justice. The Committee believes that Canadian

criminal law, as it applies to corporations, needs modernizing to reflect the reality of corporate decision-making and the delegation of operational responsibility. Similar legislation is being developed in the United States, United Kingdom and Australia.

MINISTERIAL MESSAGE

“A world without mining is simply unimaginable. Ontario without minerals and the mining industry that produces them is equally inconceivable. . . . We are enhancing our status as a world-class investment jurisdiction by adopting solid measures such as tax reductions, reduced regulatory red tape, enhanced client service and expanded geoscience databases that support our mining industry. . . . Ontario is committed to actively promoting Ontario’s mineral potential to the world. By marketing Ontario’s competitive advantages internationally and improving the climate for mineral investment, we will attract investment and foster growth in the province’s mineral sector.”

*-- from a statement by Ontario’s
Minister of Northern Development and
Mines Jim Wilson.*

ROM EXPANSION BUMPS ROCK LABORATORY

The \$200 million expansion of the Royal Ontario Museum is forcing the eviction of its world renowned rock laboratory, which it has housed in the basement for more than 25 years. The Jack Satterly Geochronology Lab provides precise dating for the age of rocks.

The work of the Jack Satterly Geochronology Lab is fundamental in

supporting research and training at universities and also in providing mining companies with information critical to finding economic deposits of minerals. “I think the ROM is viewing the earth sciences as something it no longer wants to see as its mandate. It would rather focus on the cultural and humanities side,” said Richard Sutcliffe, who is head of the mining industry advisory group that has been involved in talks about the lab’s future.

The lab has been a cornerstone in the promotion of geology at the ROM. It provided most of the dated rocks in the high-profile INCO Earth Sciences Gallery, which opened in 1999. As well as the rock lab being displaced, the ROM’s expansion is forcing the dismantling and storage of several exhibits included the INCO Earth Sciences Gallery.



**“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.

