



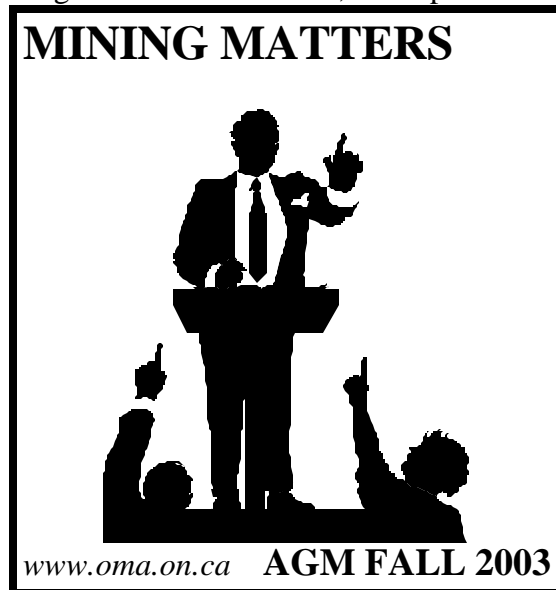
OMA CONFERENCE HELPS PREPARE FOR THE FUTURE

Ontario Mining Association directors, mine managers, committee chairs and executives from across the province assembled at the Hockley Valley Resort near Orangeville from October 1 to 3, 2003 for the “*Framework for the Future*” conference. This is an alternating year event, the Association organizes to help get industry people together to share ideas on how to work with employees, communities and governments in strengthening the economic, environmental and safety performance of Ontario’s modern high-tech mining industry.

The objectives of the conference were multiple. They included the following: To further the OMA mandate of improving the competitiveness of the mining industry in Ontario; To provide members with an opportunity to learn about the government and current government thinking; To help educate members about how the world is unfolding and what forces could impact the mining business; . . .

To enhance morale, teambuilding and a sense of a common purpose among members; To share information and gain a better appreciation of members concerns; To develop some specific

short-term action plans and longer-term targets for the Association; To help



members gain a better understanding of the activities of OMA staff; and To make contacts and have some fun.

Participants tackled these ambitious goals with an extra-large measure of enthusiasm and determination.

NEW STRATEGIC VISION OF MINING SECTOR ADVOCATED

Timmins Mayor Jamie Lim provided a lively, provocative and theme-supporting kick-off dinner speech at the conference. “I am proud to be the mayor of a resource based community,” she said. “Our region and Ontario need mining to be competitive and viable but

we need to change how we view resource sectors – a new vision and new strategic process is needed.”

She encouraged people to communicate with their municipal politicians and engage them in the industry’s challenges and struggles and potential. Mayor Lim spoke out in favour of the mining cluster concept and on the need for greater innovation and research.

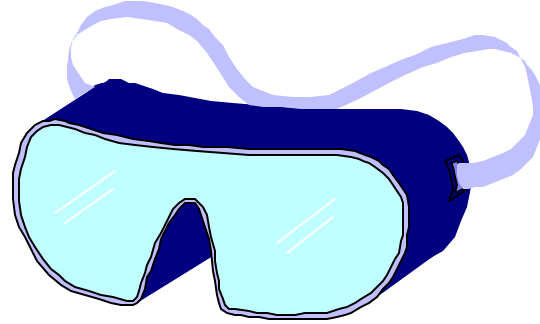
“Provincial and federal governments often don’t recognize municipalities as implementers of their public policies,” she said. “We are the government that is closest to the people and strong communities governed by strong municipalities make for a stronger Ontario.”

The Mayor is proud that her city has become a strong voice for the resource sector. She has been an advocate for Falconbridge’s Montcalm nickel project north of Timmins. Mayor Lim used the term “bizarre” for the roadblocks thrown in front of the Montcalm project and she believes Falconbridge has been getting the runaround from the province.

She also spoke out against bureaucratic delays at the diamond project of De Beers near Attawapiskat. She would like to see the province have a one-stop shopping centre for the permitting and approvals of mining projects. “My municipality will always be there to support our mining industry,” she said.

Mayor Lim, however, did encourage the mining sector to do a better job in its communications efforts. She does feel the industry could, in a rueful reference to reality television shows, do with an extreme makeover. “We have to connect the dots for some people who

are just not getting it,” she added. “Municipal governments and the mining sector must join forces.”



SAFE PRODUCTION: PRIORITY NUMBER ONE

Safe production and its improvement is a preoccupation of the mining industry in Ontario. At the OMA conference, Deputy Minister of Labour Paavo Kivisto and safety expert and professor Peter Strahlendorf tackled the issue from different angles.

Mr. Kivisto stressed the importance of leadership and the need to have chief executive officers and boards of directors taking on the main responsibility for safety performance. “The CEO must visibly champion safety.” He applauded the recent efforts of the OMA particularly its IRS audits (Internal Responsibility System) and said he hopes mining will push the IRS further.

“You can’t legislate prevention, but legislation can help communicate standards” he said. Mr. Kivisto sees a large part of the future of mining in Ontario being mining at greater depths, which will bring with it technological and safety challenges. For years, the mining sector has had a highly improved and trend setting lost time injury rate of about 1.2 per 200,000 hours worked.

“There is a great safety performance by mining but it is at a plateau,” said Mr. Kivisto. “You need to breakthrough that plateau and making safety better requires leadership.”

Mr. Strahlendorf chose “The Internal Responsibility System: Getting to Zero” as the title of his paper at the conference. It was apt as, he sees the IRS as a way to reduce risk and push accidents rates down towards zero.

“The IRS is the most potent ingredient in efforts to get to zero, yet it is often the most misunderstood and underestimated ingredient,” Mr. Strahlendorf said. “The IRS is a dynamic problem solving machine.”

He spoke about some misinterpretations many groups hold about what the IRS is and emphasized that back in 1976, in his report on mine safety, James Ham got it right. He said occupational health and safety should be integrated into production and that everyone should be doing occupational health and safety directly as part of their job.

“The power of the IRS is that it is the only philosophy that captures the knowledge, experience, skill, insight, observational position, initiative, creativity and enthusiasm of every human mind in the workplace,” said Mr. Strahlendorf. “It is the ultimate expression of respect for the human element in the workplace.”

Mr. Strahlendorf’s talk reminded the audience the IRS has been a key tool in the mining industry improving its safety performance. That improvement stems from the practice that the IRS is a system within an organization where everyone

has direct responsibility for health and safety as an essential part of their job.

SAFETY REPORT TO AUGUST 31

The mining industry is continuing to experience a reasonably good accident performance year in 2003. The industry’s lost time accident frequency remains at a low 1.2 per 100 workers to the end of August. The total medical aid frequency has increased marginally from 8.3 to 8.6 per 100 workers. The industry severity rate is at 87 days lost per 100 workers, which is down from 387 in 2002.



ONTARIO IS THE LEADER IN MINE SITE REHABILITATION

One extremely important area of environmental improvement in which the mining industry is in the forefront is in the rehabilitation of abandoned and orphaned mine sites. Ontario has a legacy of these sites in which mines operated and closed under the regulatory regime of the time, generated wealth, provided employment and paid taxes. However, a portion of the proceeds from that economic activity was not directed towards mine site rehabilitation.

John Robertson, Manager Rehabilitation Inspection and Compliance for the Ministry of Northern Development and Mines, outlined the extent of the legacy mine problem and detailed efforts by the government in cooperation with the mining industry to solve it. “Ontario is

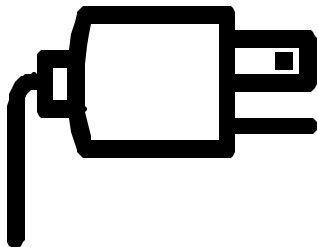
in the forefront in finding creative solutions for rehabilitating legacy mine sites,” he said.

Examples of collaborative efforts referred to were the recently signed Memorandum of Understanding between the Ontario Mining Association and the Ministry of Northern Development and Mines and the Porcupine Joint Venture (Kinross) Agreement.

The OMA/MNDM agreement creates a joint advisory committee to identify projects on Crown lands and manage those rehabilitation initiatives and contributions from companies are considered as “gifts to the Crown” for tax purposes.

The original Kinross agreement involved the former McIntyre and Hollinger mine sites in Timmins. Public safety issues were dealt with, more than \$5 million was spent in rehabilitation in the first three years of the agreement and exploration activities are being carried out on the properties.

Mr. Robertson pointed out the positives of the cooperation between his ministry and the mining sector to resolve the legacy mine site issue. He said the collaboration is an act of good faith by the mining sector, it is improving the reputation of environmental responsibility and it is working towards the goal of sustainable development.



**NO EASY WAY TO MANAGE
ELECTRICAL COMPLEXITIES**

Unfortunately, Ontario now has a flawed electricity market which in many respects is the worst of both extremes. We have neither a benevolent government owned monopoly nor an efficient and effective electricity marketplace. We have a near monopoly, uncertainty of supply, the likelihood of price increases and huge overhanging hydro debt.

But don't despair, the status quo is not a long term solution. Things have to change and mining companies can have a say in how aspects of the electricity system can change for the better.

Mary Ellen Richardson, President of the Association of Major Power Consumers in Ontario (AMPCO), presented her organization's view of the province's electrical future at the OMA conference.

“You can take control of what may seem uncontrollable,” she said. “Energy is not a fixed cost, it is a fixable cost.” She urged companies to manage electricity strategically and play a role in shaping future policies.

The future of the electricity marketplace in Ontario is of vital importance to mining operations. Electricity comprises between 10% and 15% of operating costs and the collective annual electricity bill for the sector is about \$250 million.

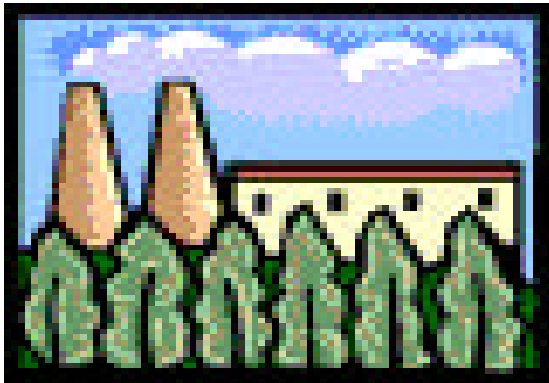
The AMPCO President encouraged companies to inject energy management into strategic planning and promote energy efficiency and load management.

She reminded the audience that the electricity system is in flux but that there are ways to lower costs and help shape

future policies which will impact on the reliability of supply and price of electricity.

Everyone wants to avoid a repeat of the blackout situation of August 14, 2003. The government of Ontario is continuing to search for solutions and large industrial customers can assist with their expertise and experience to find those solutions.

Mining companies are working through the OMA, AMPCO and the Stakeholders Alliance in Electricity for Competition and Customer Choice, of which the OMA is a founding member, to help build a stronger and more reliable electricity system in Ontario.



COULD KYOTO ACCORD GO UP IN SMOKE?

The cost of complying with the federal government's plan to reduce greenhouse gas emissions and the impact that could have on competitiveness is a big concern of mining companies in Canada. Most of the mineral producing nations Canada competes with would not have to reduce greenhouse gas emissions under the terms of the Kyoto Accord.

At the conference, Ken Olsen, from Natural Resources Canada, made a presentation and provided an update on

the covenants which the government is negotiating with companies in 14 industrial sectors. Companies within these sectors are put together as part of the Large Industrial Emitters group, which is given the target of cutting 55 MT of carbon emissions.

Mr. Olsen is the lead on the mining sector negotiating group. He said "covenants are a custom-made approach to regulations and that covenants can be smart regulations."

He said the federal government wants to maximize the benefits of greenhouse gas emissions and minimize the costs. Mr. Olsen added that the government does know it is presenting industry with technological challenges.

To answer the question posed in the headline at the top of this article, if Russia does not ratify the Kyoto Accord, a key threshold will not be crossed and the accord is unlikely to come into force. Does that mean Canada would back away from its greenhouse gas emissions targets? Maybe the next Prime Minister can answer that question.

OMA MEMBERSHIP CONTINUES TO EXPAND

At the Board of Directors meeting held in conjunction with the "*Framework for the Future*" conference, four companies joined the OMA as new members. The OMA is pleased to welcome as new members: the consulting engineering firm of **Rowan Williams Davies & Irwin Inc.**, consulting engineering firm **AMEC Earth & Environmental Limited**, consulting engineers **Gartner Lee** and new

Sudbury area mineral producer **FNX Mining Company Inc.**
OMA membership now stands at 55.



SESSION FOCUSED ON VITAL COMMUNICATIONS

Similarly, to how Mr. Strahlendorf said the IRS is a system within an organization where everyone has direct responsibility for health and safety as an essential part of their job, communications should be an essential part of everyone's job. In order to put some focus on this issue, Wes Muir provided a workshop on "Constituency Relations: Building Support for Your Issues."

This hands-on component of the conference provided participants with an excellent opportunity to identify key issues at their sites and identify key constituents in their areas.

Some guidelines for what to say, how to say it and recruiting and mobilizing and maintaining constituents for a cause and/or issue were discussed.

COMMITTEE CHAIRS REVIEW SUCCESSSES AND FRUSTRATIONS

An important component of the conference was providing the chairs of various OMA committees the opportunity to present and discuss their

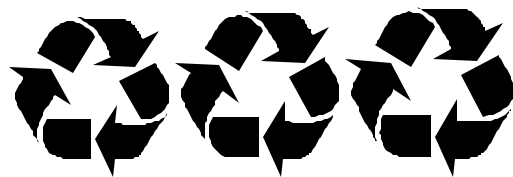
specific issues with OMA directors and mine managers.

The OMA committees have an OMA staff person as secretary and a chair from a member company. The committees are made up of experts in specific areas of subject matter from different companies. They are a tremendous resource for the sector and the arenas where a great deal of hands work is carried out for the industry's benefit.

The directors and mine managers had a tremendous degree of praise for the dedication and efforts of all committees. Presentations were made by Parviz Farsangi for the Mine Managers Committee, Adele Faubert for the Environment Committee, Jamie Mortson for the Safety and Training Committee, Gary Hughes for the Workers' Compensation and Occupational Health Committee and Bill Mracek for the Mining Rules Committee.

On behalf of Energy Committee Chair John LeMay, an update was provided by Peter McBride. He also reviewed the work on the safety front of the John T. Ryan Safety Trophy Committee and the OMA's role in its activities.

In addition, Patricia Dillon, who is heading up the OMA First Nations Video Initiative Task Force, reported on the progress her group is making on this important communications project.



TSM CONTINUES TO MAKE SUSTAINABLE PROGRESS

The Towards Sustainable Mining initiative of the Mining Association of Canada continues to advance forward. Gordon Peeling, President of the Mining Association of Canada, was on hand at the “*Framework for the Future*” conference to provide an update. Analysis and the initiation of this process began in 2000 with identification of areas where the industry needed to concentrate its efforts.

The longer term goal is to have a series of performance standards for mining companies, which will be verified by third parties. Also, meeting these performance standards is perceived to eventually be among the criteria for MAC membership.

He said tangible progress has been made as evidenced by the development of performance based criteria through the Tailings Management Guide, the Crisis Communications Guide, the Cyanide Guide, the Energy Management Guide and the External Outreach Guide.

While the TSM initiative is making progress, there is more work to be done. Over the next three years, Mr. Peeling said there are plans to inject momentum by identifying clearer tasks, focusing on accomplishments, building confidence in the area of social responsibility and in expanding outreach dialogue with non-mining groups at the national level.

THREE SEASONS CAPTURED IN 18 HOLES OF GOLF

The Ontario Mining Association is becoming a leading reverse indicator for good weather when it comes to planning golf tournaments. At its last major

conference in 2001, heavy rains effectively closed the 18-hole Valley course at Horseshoe Valley.



In wet, cold and windy conditions, brave and dedicated golfers moved their clubs up the hill to the Highlands nine-hole course for a round of golf.

This time around at Hockley Valley, an equally intrepid band of golfers faced three seasons – summer being the one omitted – in a round of golf on October 1 at the OMA “*Framework for the Future*” conference near Orangeville.

These sportsmen men -- and women -- faced a brief snow squall, a bout of intermittent hail, strong winds, horizontal rain and brief interruptions of sunshine.

While all participants are to be congratulated, the winners of some special prizes included Mike Thompson for low gross score, Scott McDonald for low net score, Gary Hughes for the straightest drive and Patricia Dillon for the perseverance award.

Congratulations to all and it may be time to take some drastic action in hopes of

improving the weather for future OMA golf tournaments.



DIFFERENT STAGE SETTING FOR ELECTION RESULTS

The Ontario Mining Association made its plans and starting developing the program for the “*Framework for the Future*” conference long before the provincial election was called for Thursday, October 2, 2003.

That evening the participants in the conference – all of who struck their blows for democracy in their home ridings at advance polls – were in the middle of a diatribe by Don Harron’s alter ego Charlie Farquharson when the election results became available.

Charlie made the trek from Parry Sound to enlighten the mining crowd with his wit and wisdom. After sharing his special brand of humour and making appropriate – and inappropriate -- comments about a number of mining people in attendance, we heard the results of the Liberals 72, PC 24 and NDP 7 seats.

However, it sounded something like “new EM.Pee.Pee Queens Porkers from yer Libreeals, Retrogressive Perservatives and Socialite DPs.” Well, maybe you had to be there!

THANKS TO SPONSORS

No organization can make the necessary plans and arrangements for a conference such as “*Framework for the Future*” without the financial support of sponsors.

The OMA would like to extend sincere appreciation to the following member companies which made contributions to help make the event successful.

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- **Canadian Salt.**



“STOPPING SMOKING IS THE BEST THING YOU CAN DO FOR YOUR HEALTH.”

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.**