



# MINING MATTERS

## GETTING THE MESSAGE OUT ON A NUMBER OF ISSUES

The OMA has been busy introducing mining and the importance of the industry to a large number of politicians and cabinet ministers at Queen's Park. Quite naturally, Northern Development and Mines Minister Rick Bartolucci is high on the list of desired sessions. The minister has been busy meeting a number of mining industry people.

Recently, OMA Chair Jim Vincent, Placer Dome Canada President George Pirie and OMA President Patrick Reid spent time with the minister to discuss a broad range of concerns. The meeting also focused on many of the positive contributions of Ontario's mining sector such as the creative Memorandum of Understanding which is helping to improve the environments around abandoned mine sites.

The issues discussed ranged from ways to promote the evolution of the Mining Industry Cluster Council efforts, delays in permitting approvals, property tax inequities and electricity rates.

While mentioning electricity rates, delegates from the Ontario Mining Association have met with Energy Minister Dwight Duncan on a number of occasions already. The need to reform the system while ensuring a reliable and reasonably priced supply of electricity in

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the future is of the utmost importance. The Association has also made a presentation to the Conservation Action Team which is led by Energy Ministry Parliamentary Assistant Donna Cansfield.

On the occupational health and safety front, OMA representatives have met Labour Minister Chris Bentley. Proposed changes to rules on hours of work and safety initiatives by the mining sector have been on the agenda for those meetings.

Environmentally, the wheels have been set in motion for a number of meetings in the near future. The new government is working hard to come to grips with a deficit, health care and education concerns, the future supply of electricity, the future supply of clean water and other matters. It is also listening carefully to contributions and concerns of the mining sector.

## **OMA “MEET THE MINERS” RECEPTION ON MARCH 31**

Invitations will be going out soon. The Ontario Mining Association, with the assistance of Northern Development and Mines Minister Rick Bartolucci, will be hosting its “*Meet the Miners*” reception in the Legislature on Wednesday, March 31, 2004.

This is an informal get together intended to provide members of the Ontario Legislature and people from various ministries and other organizations involved in mining with an opportunity to meet their industry associates.

Prior to this event on March 31, the OMA will be holding a Board of Directors meeting. The following day, the OMA Mine Managers Committee will also be meeting in Toronto.

With the Legislature scheduled to resume sitting on March 22, these events will help the OMA and its members move into the Spring better prepared to deal with issues of importance to the industry.

### **WATER PROTECTION TEAM SELECTS OMA AS A MEMBER**

OMA President Patrick Reid has been appointed as one of the members of the government’s new water management group called the Implementation Committee on Source Protection Planning.

This group has been given the task of providing advice on new and existing roles and responsibilities of the province, municipalities and conservation authorities to implement water source protection plans.



## **RESPONSIBLE PARTNERS IN SOCIETY**

*Mining companies do more than find, extract and process minerals essential to our modern lifestyle. They are economic enterprises operated by men and women who are active members of society in Ontario and community builders. Many people in this industry donate time and money to educational, cultural, recreational and charitable activities. Many of these volunteers add great value to the quality of life in the communities where mine employees live.*

Near the shores of James Bay, De Beers Canada has funded a \$600,000 training centre in Attawapiskat, located 90 kilometres east of its Victor diamond project. A training Centre Committee with representation from the Local Band Council, De Beers Canada, the Local Education Authority and Northern College manages the facility and its programs.

According to a De Beers Canada publication, “the new training facility will assist community members to prepare for employment at Victor and progress to post secondary education. Academic upgrading to a grade 12 level and pre-employment training will be the primary educational focus in the short term. . . . The centre will also be used by the community for a range of life skills training and personal development programs including computer and internet classes, parenting and early childhood education, financial planning as well as business and administrative programs.”

De Beers Canada is putting resources and funding behind its belief that the most effective means of helping communities is by giving them a hand up, not a hand out. This is a cornerstone of De Beers' approach to social sustainability. The idea is to build capacity, not dependency, in the communities with which the company interacts.

### **HOW LONG DOES IT TAKE TO DEVELOP A MINE???**

Falconbridge has recently met governmental and permitting requirements to proceed with its Montcalm nickel project in the Timmins area. But how did this mineral deposit start on the path towards development. A recent letter to the *Canadian Mining Journal* from the field project manager in the original exploration program on the property commented on how nice it was to see the deposit finally going into production.

Teck Corp. (Dignem Syndicate) reported the original discovery hole on this deposit in the *Northern Miner* back in September 1975. The Montcalm deposit is located about 70 kilometres northwest of Timmins and is estimated to contain 7 million tonnes of ore. When in operation, the mine is anticipated to produce about 8,000 tonnes of nickel annually. Perhaps mineral deposits like some entertainers work hard their entire careers in order to become an overnight success.

### **ONTARIO SLIPS ON FRASER ATTRACTIVENESS RATING**

Ontario slipped to a rating of 81 in 2003 from a rating of 83 in 2002 on the Fraser Institute's seventh Annual Survey of Mining Companies. The Fraser Institute ranks mining jurisdictions around the world on an Investment

Attractiveness Index which combines geological and mineral potential factors with government and political policy factors.

The places considered the most mining investment friendly in the world in the most recent survey were Chile (92), Nevada (91), Western Australia, Quebec (85) followed by Peru and Brazil (tied at 82) with Ontario coming next at 81. Two years ago, Ontario was tied for first place. While there has been some erosion in Ontario's rating in the past two years, the province regularly is in the top tier of jurisdictions, which favourably look upon responsible mining for future economic development.

The Fraser Institute surveyed 159 companies with a combined international exploration expenditure of more than US\$640 million for this study.



### **PROPERT TAX DISTORTION KING IS ELLIOT LAKE: STUDY**

In an effort to make better sense of what sometimes seems incomprehensible, the Canadian Federation of Independent Business (CFIB) in a study has pointed out property tax distortions among 66 Ontario municipalities.

With its broad membership of medium and small businesses, the CFIB has tried to help its members better understand

what is called “perhaps the least understood form of taxation.”

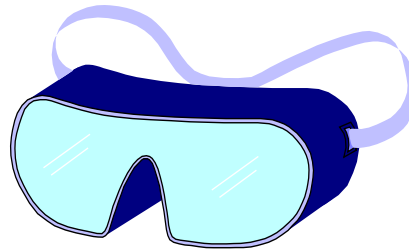
The property tax distortions studied rated the tax differentials among the property tax classes – residential, commercial and industrial. “Cities with the greatest differences in tax rates between one class and another are deemed to have the most distorted systems because it reveals how much cross-subsidization one type of taxpayer must make to another within that community.”

The CFIB says the results of the study “corroborates the tax rate analysis and serves as another way to examine the extent of property tax cross-subsidization in a given municipality. Cross-subsidization in the tax system can significantly interfere in the economic signals within local economies and lead to a misallocation and inflation of government spending.”

Among the municipalities studied, there is in general less distortion of the commercial class rates than the industrial class rates relative to the residential class rates.

The study points out that “industrial properties are severely taxed in Elliot Lake.” In fact, Elliot Lake takes top spot in the tax distortion index. The industrial tax rate in Elliot Lake is about six times that of its residential tax rate.

This appears to be moving against a trend to bring more balance to the property tax system, to eliminate cross-subsidization of rate classes and to give commercial and industrial concerns a fairer shake on property taxation.



## **MINE RESCUE IN ONTARIO REACHES MAJOR MILESTONE**

This year marks the 75<sup>th</sup> anniversary of mine rescue in Ontario. To celebrate the mine rescue competition this year is being held in Sudbury on June 11 and 12. The site will be the Fecunis Mine and the competition will take place underground for the first time. Also, a book on the history of mine rescue is being developed and this coffee table publication will be on sale for \$35.

## **NATIONAL GROUP TO STUDY ONTARIO MINE SAFETY**

The Canadian Centre of Occupational Health and Safety (CCOHS) is taking a closer look at the progress of mine safety in Ontario to see what lessons may be learned. The goal is to find methods and techniques which could be transferable to other sectors. The CCOHS is launching a study which will examine the relationship between the Internal Responsible System and common core training and how they have improved the mining industry’s safety performance since 1978.

## **CONGRATULATIONS REDPATH ON SAFETY ACHIEVEMENTS**

At the Redpath Group, Ron Dion, Manager Safety and Personnel, reports that safety efforts are paying dividends. He offers the following achievements in safety performance within the Redpath

Group in support. The company's North Bay Shop Complex has gone 17.7 years without a lost time accident, the Raisebore Shop has gone 15.7 years without a lost time accident and the Timmins Repair Shop has gone 7.4 years without a lost accident. Congratulations to everyone on the Redpath team for these safety accomplishments.



### MINERS ON THE MOVE

At Boart Longyear, **Tim Bremner**, Vice President Contract Drilling in the company's North Bay headquarters, is moving on to a new position within the company in the Far East. He will be relocating to Adelaide, South Australia, which will be his new base. Mr. Bremner has put in lengthy service as a member of the Ontario Mining Association's Board of Directors. We thank him for his effort, contributions and guidance over the years.

The Redpath Group has welcomed **Andy Fearn** to the company in the new position of General Manager Technical Services and Shaft Sinking.

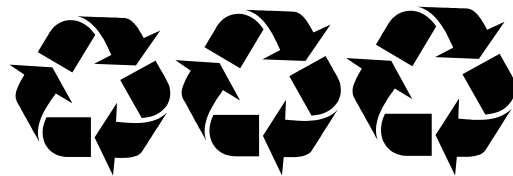
**Philippe Monier** has been appointed as Senior Vice President and Chief Financial Officer for Dynatec Corp. Previously, he was Chief Financial Officer at BHP Billiton Base Metals.

At Barrick Gold, **Darren Blasutti** has been appointed Vice President Investor

Relations. He will be responsible for the strategic development and implementation of the company's investor relations activities. Most recently, Mr. Blasutti was Barrick's Director of Corporate Development.

Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Executive Director Jean Vavrek has announced a number of new appointments at the national office in Montreal. They include **Heather Ednie** as Director of Media and Communications and Editor of the *CIM Bulletin*, **Chantal Murphy** as Meeting Co-ordinator and **Jean Marc Demers** as Director of Commercial Operations.

**Jamie Lim**, who was the kick-off speaker at the Ontario Mining Association's "*Framework for the Future*" conference held last October, is taking on new duties and responsibilities as Chief Executive Officer of the Ontario Forest Industries Association. We welcome her to this post and look forward to working with her in the future on resource industry related issues.



### ENVIRO COMMITTEE PLANS REHAB FIELD CONFERENCE

The OMA Environment Committee is planning a field conference to showcase methods and technologies for rehabilitating and closing out mines. It is scheduled for September 14-16, 2004 in Thunder Bay. The field conference will consist of tours and technical sessions. An organizing group is

making arrangements for this event. For further information call Barbara Mossop (416) 364-9301.



## HOW OTHERS SEE US

*“Our government recognizes and appreciates the vital contribution that the mining industry has made to our province. We are proud of the miners who work tirelessly and, in doing so, continue to fuel a significant sector of our economy.”*

-- excerpt from a letter sent by Ontario Premier Dalton McGuinty.

*“The mining sector does indeed play an important role in Ontario’s economic well-being. Your members are to be commended for the skill and dedication they bring to their jobs. I look forward to working with the Ontario Mining Association to build a more innovative economy that encourages the growth of new ideas, businesses and investment.”*

-- excerpt from a letter sent by Ontario Minister of Economic Development and Trade Joseph Cordiano.

*“I recognize the important contributions of the Ontario Mining Association and your members to Ontario’s communities, infrastructure and economy.”*

-- excerpt from a letter sent by Elizabeth Witmer, MPP Kitchener-Waterloo.

*“We recognize the value of your association and the great role it maintains with the people of Ontario and Ontario’s economy.”*

-- excerpt from a letter sent by Carol Mitchell, MPP Huron-Bruce.

## WHERE IS THE COMPETITION???

In 2004, the output of the Chilean mining industry is expected to grow by 5%. From 2003 to 2007, new investment in Chile’s mineral sector is anticipated to be US\$5.5 billion.



## OMA FIRST NATIONS VIDEO TO MAKE ITS DEBUT

A video designed to inform First Nations residents about career and entrepreneurial opportunities in the mining industry is ready to make its debut. Members of the First Nations production team from Big Soul, the OMA First Nations Video Task Force, representatives from FedNor, mining industry delegates, other officials and the media will see the video at a preview in North Bay. Nipissing MP Bob Wood will be in attendance representing project funding partner FedNor.

The 14-minute long video titled *“Mining New Opportunities”* demonstrates the operation of a mine and rehabilitation of a mine site and provides information on employment and potential partnership opportunities for First Nations people. The video was produced in five

languages -- Cree, Oji-Cree, Ojibway, French and English and potentially could be produced in additional First Nation languages in the future.

The video includes interviews with First Nation people currently employed in the minerals industry. It is anticipated that this video will provide First Nations people with current information about mining including the skills needs of the industry and employment and entrepreneurial opportunities.

It also aims to promote partnerships with First Nations to allow for greater participation in the social and economic benefits of responsible mineral development and encourage a better understanding and communication with First Nations with respect to the purpose and value of exploration and mining. This could lead to a more cooperative relationship with government and industry.

Ideally, this video can help set the foundation for a better understanding of the mining sequence and roles of all concerned parties that may improve relationships during initial prospecting and exploration in areas of First Nation traditional land use.

Following its debut in North Bay, the "*Mining New Opportunities*" video is off to bigger things. The video is to be featured as a special session of the World Mines Ministers Conference being held in Toronto. In a session on Mining Education for Indigenous People on March 6, 2004, the video will take a starring role.

Congratulations to the supporters of this video, its producers and its audience.

## **SUPPLIERS' ENCYCLOPEDIA IS NOW AVAILABLE**

The Canadian Association of Mining Equipment and Services for Export (CAMESE) has released the latest edition of its Compendium of Mining Suppliers. This 172-page book profiles more than 250 of Canada's leading suppliers of mining equipment and services.

This is CAMESE's eighth edition of the compendium. It contains a great deal of information about the dynamic, high-tech, environmentally responsible suppliers who help keep Canadian mines among the most efficient in the world.

CAMESE is a non-sales trade association that exists to help Canadian mining suppliers export to world mining markets and to assist foreign buyers in finding suitable Canadian business partners in the mining supply and service sector. For further information go to the CAMESE website at [www.camese.org](http://www.camese.org).

## **WORK IS STARTING ON 2004 ECONOMIC IMPACT STUDY**

Work has begun on the year 2004 edition of "*The Economic and Fiscal Contribution of the Mining Industry in Ontario*." Administrative details are being ironed out, sources at StatsCan are being checked and data gathering is beginning.

The schedule calls for surveys to be sent to member companies in mid-April in anticipation of receiving them back by mid-May. If all the information can be collected by the end of June, the report could be ready by late September, or early October.

The Ontario Mining Association has produced this useful economic and statistical document on the contribution of mining to the economy and society of this province every other year since 1992. As well as providing a benchmark of the sector's progress, it furnishes common statistics for everyone in the industry to use. This book is a regular source of information for people in government, the media and students.

The results and conclusions of the year 2002 edition of this benchmark study can be found at the OMA website. The report is produced for the OMA by the University of Toronto's Institute for Policy Analysis and management consultant Datametrics Consulting Inc.

#### **CIM EVENT PLANNED FOR EDMONTON IN MAY**

If you want to participate in the Canadian Institute of Mining, Metallurgy and Petroleum's annual conference this year, you may have to miss spending a special day with your Mother. The event is running from Sunday, May 9 to Wednesday, May 12, 2004. Further details about the program can be found at the CIM website [www.cim.org](http://www.cim.org). Don't forget you can always send your Mother flowers.

While mentioning the CIM, it may be appropriate to remind everyone about the CIM/NRCan Journalism Awards. The categories for this annual competition are news reporting, feature writing, radio, television, lifetime achievement and student award. If you see and/or hear good industry coverage in your community from your local media, please point out this competition and encourage journalists to enter.

#### **LAS VEGAS FIRM FORSAKES BABY FORMULA FOR MINING**

Now this is a change in corporate direction you don't see every day. Las Vegas based Barrington Foods International Inc. announced recently it is getting out of the baby formula business in favour of exploring for minerals in Canada. To reflect this shift in corporate activity, the company has changed its name to U.S. Canadian Minerals Inc. I am sure investors hope that with this new mandate, the firm's executives can turn the recipe for formula into gold.



**“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.**

