



KEEPING THE LIGHTS ON!!!

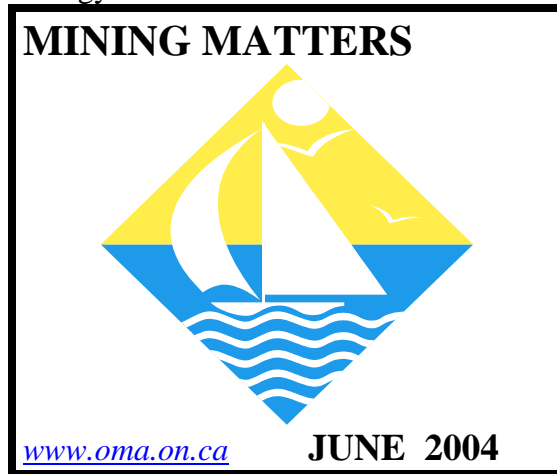
We will all remember August 14, 2003 as the day of the largest blackout to hit Ontario. Now as the anniversary of that catastrophic event approaches, the government has introduced new legislation – Bill 100 The Electricity Restructuring Act 2004 – designed to keep the lights on and ensure new supply. However, there will be a price.

“After more than a decade of mismanagement in Ontario’s electricity sector, our ability to keep the lights on has been compromised,” said Energy Minister Dwight Duncan. “It is absolutely critical that we move forward quickly to boost new supply, increase conservation and maintain price stability for consumers so that we can ensure continued prosperity in the province.”

The legislation creates the new Ontario Power Authority, a new Conservation Bureau headed by Ontario’s first Chief Energy Conservation Officer, a revamped Independent Electricity Market Operator becoming the Independent Electricity System Operator and a new role for the Ontario Energy Board to ensure price stability for consumers.

There are also incentives for private sector investment in new generating

capacity and targets for renewable energy.



“Our plan includes a strong public leadership role, clear accountabilities and a coordinated planning approach to address the growing gap between electricity supply and demand in order to keep the lights on now and for our children and grandchildren,” said Mr. Duncan.

The government plans on holding consultations on the legislation over the summer and then coming back to the Legislature in the fall to pass the bill.

Further details are needed to assess the impact of this electricity restructuring plan. The mining industry in Ontario has a collective electricity bill of about \$250 million. Electricity, on average, accounts for 10% to 15% of a mining venture’s operating costs.

With ventilation, hoisting and metallurgical processing vital requirements, a reliable supply and a reasonable price for electricity are necessary for the mining sector. The OMA will be seeking opportunities for input into the consultation process concerning this legislation.



LIBERAL BUDGET HOLDS SOME GOOD NEWS . . .

From a company perspective, the Liberal government's budget contained some positive news. Included in that category would be the announcement that Ontario will maintain the resource allowance and the non-deductibility of Crown royalties and mining taxes retroactive to the commencement of the federal change. The government also made a commitment to gradually eliminate the capital tax by 2012 and to enhance the capital cost allowance (CCA) for newly acquired computer and data network infrastructure equipment.

. . . AND SOME BAD NEWS

Along with increases in numerous fees such as drivers licenses, health premiums and alcohol taxes the government introduced a somewhat hidden "electricity tax." It will be in addition to the debt reduction charge of 0.7 cents per kilowatt/hour ratepayers are already paying. In an apparent accounting sleight of hand, the

government took in as a one-time revenue \$3.9 billion to eliminate the liability of generally high priced non-utility power generation agreements.

The government has used this "revenue" to reduce the deficit to \$2.2 billion and shifted the repayment of the \$3.9 billion on to electricity consumers. Everyone will pay more though at this time, it is a bit early to pinpoint how much that increase will be.

SIGNATORIES SHOW ACCORD ON COAL POWER GENERATION

What issue could have Inco Chief Executive Officer Scott Hand, Canadian Autoworkers President Buzz Hargrove, National Director of the United Steelworkers Lawrence McBrearty, Dofasco Chief Executive Officer Don Pether and Falconbridge Chief Executive Officer Aaron Regent in agreement? The letter they all signed which ran in the National Post newspaper had the headline "*Coal essential to Ontario's future.*"

The letter acknowledged the government's challenge of ensuring electricity supply at competitive prices with the interdependent need to protect the environment and the government's efforts to proceed carefully to meet these objectives with broad consultation. However, it questions the government's commitment to phase out all coal powered electricity generation (about 25% of Ontario's supply) by 2007.

While the phase out policy may be a reasonable course in the longer term, electricity is too important to the society and economy of Ontario and the wellbeing of its citizens for the

government to eliminate one source of electricity generation from the province's power mix. The above noted letter shows that management and union leadership are in sync on that issue.



OMA ECONOMIC STUDIES ARE WORKS IN PROGRESS

Data gathering, surveys and other work is ongoing for two economic impact reports the Ontario Mining Association is working on at this time. *“The Economic and Fiscal Contribution of the Mining Industry in Ontario”* is a comprehensive report updated every other year. The 2004 edition of this document, which first appeared in 1992, is scheduled to be completed by late October.

The Association is also working on a quantitative study for the Ontario Mineral Industry Cluster Council. It is targeted to be available in early November. Both these studies involved the University of Toronto's Institute for Policy Analysis and are being completed with the cooperation and assistance of the Ministry of Northern Development and Mines.

IMPLEMENTING AUDIT IDEAS COULD RAISE WSIB PREMIUMS

An independent audit of the Workplace Safety and Insurance Board by the Ministry of Labour has come back with

several recommendations. “The audit raised worrisome issues about governance, controllership and accountability practices at the WSIB and identified areas for improvement,” said Minister of Labour Chris Bentley. “We will be acting on the audit's recommendations.”

The Ministry of Labour plans to go ahead with audit recommendations to revamp the WSIB's governance structure, name a new president and chairman, to reform administrative practices and management and follow other suggestions. The WSIB has recognized that to execute these changes, there will have to be a reduction in costs and an increase in revenue from its investment income and premiums – paid by employers.

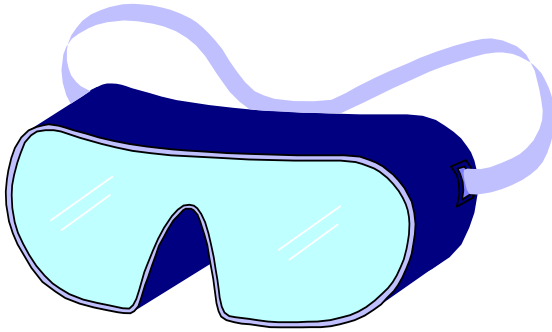
JOINT VENTURE PROCEEDS WITH NEW PAMOUR PIT

The Porcupine Joint Venture is investing \$82 million to bring the new Pamour pit, east of Timmins, into gold production next year. The PJV was formed in 2002 as a means of combining the assets of Placer Dome and Kinross Gold in the Timmins area.

One phase of the project underway now is the development of a 12-kilometre dedicated roadway from the Pamour pit to the Dome mill, where the ore will be processed. The new mine, with current reserves has a 10-year span with projected community impact including operating costs and wages of \$800 million over that period. Reserves are estimated at 1.8 million ounces of gold.

The PJV plans on spending \$9.5 million on exploration programs in the area this

year. “Historically, we’ve mined in the camp over 60 million ounces and I believe the potential to find a few million more represents a realistic opportunity,” said Pamour Mine General Manager Gary Halverson. “We’ve got a few targets in the area and we’re utilizing our connections with Discover Abitibi, a geophysical initiative, to enhance that exploration potential.”



MINE RESCUE ANNIVERSARY CELEBRATES SAFETY SUCCESS

This year in Sudbury, the Ontario Mine Rescue Program celebrated its 75th anniversary with its first ever underground competition. Inco Limited’s East Mine earned the award as 2004 mine rescue Team Champions with Falconbridge’s Fraser-Thayer Lindsley Mine gaining second place.

Inco’s East Mine also captured first place in the Team Fire Fighting Award and it won the Special Equipment Award. Falconbridge’s Fraser-Thayer Lindsley Mine earned the Team First Aid Award. In the Equipment Technician competition, Roger Beaulieu of Inco East Mine took first place with Rob Anderson of Barrick’s Holt McDermott Mine taking second place and Tim May of the Canadian Gypsum Company receiving third place honours.

The Ontario Mine Rescue Program started in 1929 as a response to the Hollinger Mine fire the previous year. It led to the creation of a system in which trained and equipped crews would be available to respond to underground emergencies. A special congratulations is offered to all participants in this year’s competition, which helped celebrate achievements in safety performance by the entire industry.

GOLD MINER CAPTURES RYAN REGIONAL TROPHY

At the Ontario Mine Rescue Competition awards event, the Ontario Regional John T. Ryan Safety Trophy in the metal mine category was presented to the David Bell Mine. The John T. Ryan safety competition started in 1941 and the David Bell Mine earned the award for the 2003 calendar year as the metal mining operation in Ontario with the lowest reportable injury rate.

A special salute to all the workers and management who contributed to this achievement.

NORTH BAY MINING WEEK BOOSTS MINERAL EDUCATION

Linda Malcolm of J.S. Redpath, Chair of the North Bay Mining Week Committee, reports the event held in May was a huge success. Following are excerpts from Linda’s report. We would like to highlight the presentation to former Ontario Mining Association Director Gerry Foster, now retired from Boart Longyear, in recognition of his contributions to the mining industry and the community of North Bay.

Also, Linda and her committee deserve praise for the creation of an innovative educational aid called "Mining in a Box."

"Mining in a Box" is an educational tool designed for instructional purposes describing the mining process and the reason why mining is necessary since it affects everyone, every day. It is specifically designed to inform youth and career seekers about the benefits and potential for a career in the mining sector," she said.

"The Box consists of a *Careers in Mining Handbook*, PowerPoint presentations on a CD-ROM geared to primary level and intermediate and secondary level students, an *Elements of Mining* poster courtesy of Placer Dome and a *Minerals of the World* sample card courtesy of Inco. Also, a component of the Box is a video containing footage of interviews conducted with local employees from various trades and occupations within the mining sector courtesy of Cogeco Cable. Adorning the cover of the Box is the famous photo of the hoist room excavation at Falconbridge's Kidd Creek Mine D."

"Mining in a Box was made possible through funding from HRDC, Muskoka-Parry Sound LTAB and many corporate sponsors. The corporate sponsors of this industry are always very supportive of initiatives to educate the public and especially our young people about the world of mining. Throughout Mining Week, several breakfasts took place to distribute Mining in a Box to schools, career centres, resource centres, youth service agencies and school boards."

"The response we have been receiving for Mining in a Box has been

phenomenal! Requests are coming in from as far as the Northwest Territories and the United States. Please feel free to contact me should you want more information on this great educational tool and please, if you have any ideas on how to improve upon the Box, share them with me (linda@jsrl.com) as it looks like we might be going ahead with a second edition. Remember, if it isn't grown, it is mined."



MINERS ON THE MOVE

At Kinross Gold, **Lars-Eric Johansson** has been appointed Executive Vice President and Chief Financial Officer. Also, at Kinross head office, **Christopher Hill** has taken on the duties of Vice President Investor Relations.

One of our mining association colleagues has moved back into the corporate sector. **Gary Livingstone**, formerly President of the Mining Association of British Columbia, has been named President and Chief Executive Officer of Western Canadian Coal.

At Denison Mines, **Paul Little** has been named Chairman, **James Anderson** has been appointed Executive Vice President and Chief Financial Officer and **Robert Dengler**, President and CEO of Dynatec, joined the Board of Directors.

LONGEVITY IN MINING MATCHED BY VERY FEW

The ore is still in the ground and the legacy will continue but the Dome Mine in Timmins has completed its last underground shift after 95 years of operation. Think of how many generations have lived in the Timmins area through the life of this underground operation. I am sure when the activity was gearing up to start production in 1909 that owners and workers would not have looked ahead to 2004. A local media report did a great job in capturing the drama and emotion of that last shift on Saturday, May 29, 2004.

A last ride up the #8 mine shaft brought miners to the end of an era for the Dome Mine. Seventeen miners worked the last day shift today. George Pirie, Placer Dome Canada President and Chief Executive Officer shook every miner's hand. It was an emotional day.

"It's hard not to be emotional," said Pirie. "I was raised here and grew up on these mines. My grandfather started working here in 1919. My dad worked here for forty seven and a half years. The Dome has always been about family and friends to me.

It's been over a decade since the shift whistle has been blown. Glenn Seymour, affectionately known as Sea Dog, had the honour again on this historic day. He says the sound of the whistle indicated more than just the end of a shift. "It was an alarm in the morning for us, it rang 15 minutes before shift, at lunch, at the end of the shift and at 7:30 in the evening." Sea Dog says it felt good to ring the bell again and he feels good things are in store for the Dome.

Although this marks the last day of underground operations at the Dome

and the next years mark the end of the Dome open pit, the Dome through the Porcupine Joint Venture will continue the legacy that began in the Porcupine Camp almost a century ago.

"This is a hand-off to a new generation of gold mining in Timmins," added Pirie. "Through the Porcupine Joint Venture, we're expanding the Pamour Pit and we're spending \$9 million on exploration on this land package."

Employees, former employees and retirees all gathered to celebrate the 95-year legacy. The Dome is the last of the Big Three to cease underground operations in the Porcupine Camp. The other two being the Hollinger and the McIntyre.

This is the second historic event to highlight the Dome's legacy. A couple of months ago, a mural painted by Ed Spehar depicting the Dome's history from beginning to end was unveiled at the Timmins Airport. As well, a family picnic style event will be held at the end of July.



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, medical, cultural, recreational and charitable activities.

A 1996 medical study in Misima, a island which is part of Papua New Guinea, funded by Placer Dome is helping eliminate the disfiguring disease of elephantiasis. An experiment funded by the Canadian gold mining company discovered a single treatment of a two-drug combination could cure the disease in those infected.

In the past four years, more than 80 million people have been successfully treated for elephantiasis. Growing from this small Canadian initiative by a company operating a mine in Misima, scientists now believe the disease can be eradicated within 20 years.

A pharmaceutical company is donating the drugs to fight the disease. The disease is spread by mosquitoes which carry a microscopic parasitic worm that attacks humans' lymphatic systems. Congratulations to Placer Dome for helping break the cycle of transmission of this tropical disease.



OMA HAS CONCERNS ABOUT WATERSHED PLANNING

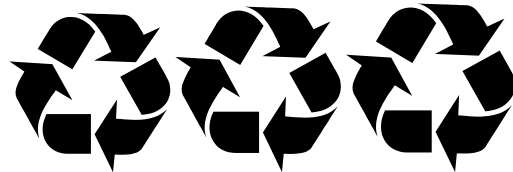
In its submission to the White Paper on Watershed-based Source Protection Planning, the OMA agreed with the need for improved water management on a watershed basis. However, the Association had some difficulties with the process involved.

“We consider that such a hastily contrived process will lead to much uncertainty in the effected business community, including the mining industry, which is also a major contributor to the Ontario economy.”

The OMA's concerns revolved around the complexity of proposed implementation, the timing, available technical resources and the powers of conservation authorities. Other issues centred on the costs for permits to take water, the cost for water use and the regional variability.

OMA MEMBER ON THE MOVE

Church & Trought Inc. has moved to 106 – 885 Don Mills Road, Toronto, Ontario M3C 1V9. Other contact numbers remain the same: telephone (416) 391-2527 and fax (416) 391-1931 at www.churchandtrought.com.



OMA PLANS WORKSHOP ON MINE REHABILITATION

The Ontario Mining Association's Environmental Committee is holding a mine rehabilitation field conference from September 13 to 16, 2004 in Thunder Bay. The workshop will have one day of technical sessions followed by field trips involving site visits.

The technical sessions are to deal with a number of topics including planning for closure, physical stability issues, operations and maintenance and cover

technology. For further information contact Barbara Mossop at the OMA at bmossop@oma.on.ca.

CIM HONOURS NOTABLE INDUSTRY ACHIEVERS

At its annual general meeting held in Edmonton in May, the Canadian Institute of Mining, Metallurgy and Petroleum recognized through its awards program a number of industry achievers. From the perspective of the Ontario Mining Association and those who have participated in its activities, we would like to note the following CIM award winners.

Michael Sopko received the Inco Medal, Robert Horn the A.O. Dufresne Award, Maureen Jensen the Robert Elver Mineral Economics Award and William Shaver the Metal Mining Division Award. Congratulations to all!

SOME UNLIKELY PLACES FOR CONSULTATION ON THIS BILL?

The government planned two days of public hearings on the bill to prevent the Adams Mine from being used as a garbage dump. This issue has been around for years and the government was trying to put it to rest for good. While the Adams Mine is in the Kirkland Lake area in Northeastern Ontario, the venues for public hearings were going to be in Sarnia and Milton. With all due respect to those communities, they seem like unusual geographic choices related to where the old iron ore mine is located.

AMPCO LEADER RECOGNIZED BY U.S. ENERGY SECTOR

Mary Ellen Richardson, President of the Association of Major Power Consumers in Ontario, has been recognized for her leadership by RaderEnergy of Houston. Congratulations on being celebrated in the second annual “Key Women in Energy – Americas Awards” which is a program with the mission of identifying and honouring women who have made significant individual contributions to the energy sector.

DIESEL EMISSIONS MEETING PLANNED FOR THE FALL

The tenth annual Mining Diesel Emissions Conference (MDEC) will be held October 13 to 15, 2004 at the Hilton Suites in Markham. The MDEC offers an international forum to meet and exchange ideas and concepts on the reduction of diesel emissions in mines. The conference has attracted delegates from North America and abroad representing mine operators, labour, government, manufacturers, universities and research laboratories. The focus is on current state-of-the-art technologies for the reduction of diesel emissions. Further information can be found at the website www.dieselnet.com/mdec.



**“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.**