

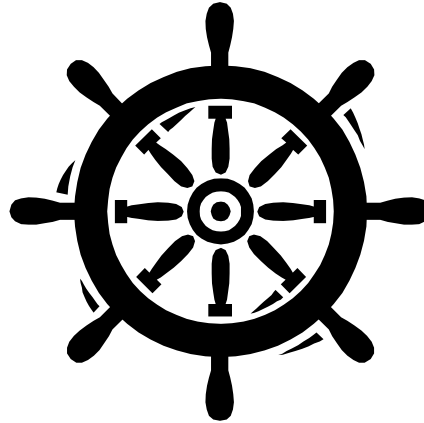
REHABILITATION PRACTICES HIGHLIGHT CONFERENCES

Through two major initiatives, the Ontario Mining Association is putting the spotlight on environmental rehabilitation practices and regulatory compliance this fall. The OMA Mine Rehabilitation Field Conference is being held from September 13 to 16, 2004 in Thunder Bay. In October, the OMA is organizing special comprehensive one-day courses in four locations dealing with the Canadian Environmental Assessment Act (CEAA).

The objectives of the Thunder Bay field conference are to present state-of-the-art rehabilitation techniques, share practical experiences and discuss current – and future – issues. The event involves one day of technical sessions and four field trips in Northwestern Ontario. The technical session will be held at the Travelodge Hotel Airline, where conference room rates are available.

The topics of those technical sessions include decommissioning experiences from mines such as Shebandowan, Polaris and North Coldstream. Presentations will also deal with subsidence reclamation, water treatment facilities and water covers. Field trips are available to Geco and Golden Giant, Winston Lake, Caland, Steep Rock and Mattabi Mines. Guidebooks will be available for all field trips.

MINING MATTERS



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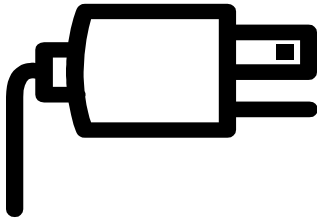
The CEAA 101 course is designed and presented by the Ontario Region of the Canadian Environmental Assessment Agency in cooperation with the Ontario Mining Association. It offers guidance for how to put the federal environmental assessment process in to practice.

The classes offer interactive exercises, case studies and group discussions. There will also be opportunities to become more familiarized with the act and learn about best practices. The CEAA 101 courses are being offered in Timmins on October 19, Sudbury on October 21, Thunder Bay on October 27 and Toronto on October 29.

For more information on both of these initiatives the OMA website has click-on boxes on its home page for “OMA Mine Rehabilitation Field Conference” and “CEAA101 Course.” The events are

spelled out in greater detail and registration forms are available electronically. Also, you can contact OMA Manager of Environmental Services Barbara Mossop at (416) 364-9301 and bmosso@oma.on.ca.

Check out these environmental initiatives. Don't miss out on the opportunities to participate.



ELECTRICITY LEGISLATION RAISES POWER PRICE FEARS

For a sector of Ontario's industrial economy which has a collective annual electricity bill of about \$250 million, the government's new electricity restructuring bill raises major concerns because of its potential impact on prices. The OMA presented a submission on Bill 100, *Electricity Restructuring Act, 2004*, to the Legislature's Standing Committee on Social Policy.

"From the economic and business concerns of mining companies, price matters – price matters a lot. The legislation in question and a number of government initiatives are putting an upward pressure of the price of electricity."

"The phasing out of coal fired electricity generation, the setting of targets for renewable electricity generation sources and conservation targets, new regulated pricing for Ontario Power Generation Inc. base load nuclear and hydraulic generating capacity, the creation of the

Ontario Power Authority and expansion of the duties of the Ontario Energy Board and the elimination of the Market Power Mitigation Agreement all contribute to putting upward pressure of the delivered cost of electricity."

The OMA submission also mentioned concerns regarding the Ontario Power Authority, the Conservation Bureau, the Ontario Energy Board, the governance and management of these agencies along with Ontario Power Generation and Hydro One, the Market Power Mitigation Agreement, the lack of support for a genuine market and the growth of bureaucracy in the electricity sector.

Bill 100 does provide a framework for changes in Ontario's electricity system, but it does not present the whole picture. Until the regulations are developed and put into place, a full assessment of the impact of changes cannot be completed. Following the hearings by the Social Policy Committee, the government intends to bring Bill 100 back to the Legislature for enactment and implementation.

HOW IS ONTARIO POWERED?

In Ontario, about 41% of the electricity originates from nuclear plants, 32% from fossil fuels such as coal, natural gas and oil and 26% from water powered hydraulic plants with renewables such as wind and solar power accounting for 1% of the province's electricity.

POWER COST CONCERNS OUTSIDE OF ONTARIO – TOO

Ontario is not the only jurisdiction in North America in which mining

operations -- along with other industrial consumers – have concerns about rising electricity costs. Barrick Gold is planning on building its own 115-megawatt natural gas fired power plant for its Goldstrike property in the United States in an effort to control electricity costs. This proposal was recently approved by the Nevada Public Utilities Commission.

In its second quarter press release, the company said: “The proposal was made in response to the significant increase in electricity costs in Nevada since 1999 and meets the goal of securing reliable low cost electricity relative to fuel prices. Expected annual power cost savings to be realized by Goldstrike are in the range of \$10 per ounce of gold. Capital costs are estimated at \$95-\$100 million.”



REHABILITATED MINE SITE HELPS POWER PRODUCTION

Since 1994, the Valerie Falls Generating Station has been providing electricity equivalent to the annual consumption of about 45,000 homes. This hydraulic power station near Atikokan in Northwestern Ontario is located on the Seine River Diversion, which is actually a man-made stretch of river started in 1942 to divert this watercourse around iron ore mining operations in the area. The mines have closed and have been rehabilitated but their legacy lives on in a tangible and productive fashion.

According to the Ontario Waterpower Association, “the presence of the original diversion dams built in this effort helped make the Valerie Falls project feasible, since they effectively allowed a higher head without having to build new dams.”

In this light, engineer Vic Sowa, in article written for The Journal of Exploration and Mining Geology, stated “the Valerie Falls hydroelectric power plant is an excellent example of sustainable development that is utilizing the available abandoned mine infrastructure and circumstances to produce non-polluting power at a minimum of additional impact on the environment.”

RED LAKE GOLD MINE HITS PRODUCTION MILESTONE

Earlier this year, Goldcorp’s Red Lake Mine reached the milestone of pouring its five millionth ounce of gold. The mine took nearly 50 years to produce its first 3.15 million ounces of gold. It only took four years to produce the next 1.85 million ounces. Mine Manager Claude Lemasson predicts the mine could reach the 10 million ounce production mark by 2012.

FALCONBRIDGE INVESTS IN NICKEL RIM SOUTH PROJECT

Falconbridge has contracted Cementation Skanska Canada to sink two new shafts at its Nickel Rim South project in the Sudbury area over the next five years. The \$160 million contract involves the development of an exploration shaft to a depth of 1,785 metres and a 1,630 metre ventilation shaft. North Bay based Cementation

Skanska Canada is also working on shaft sinking projects in Timmins at Falconbridge's Kidd Mine D and in the Red Lake area at Goldcorp's Red Lake Mine.



VICTOR PROJECT PROCEEDS WITH PUBLIC CONSULTATIONS

De Beers Victor diamond project near Attawapiskat has presented its comprehensive environmental assessment and is holding public consultations. While meeting terms of the Canadian Environmental Assessment Act, it appears the process will not be finalized in time to mobilize equipment and supplies for a winter road in 2005. The project team, however, will proceed with design engineering work and negotiations on an impact-benefit agreement.

There have been two rounds of public consultations with a number of First Nations in the region as well as with the communities of Moosonee, Timmins, Hearst, Kapuskasing and Cochrane. The consultations have resulted in the consideration of an alternate route for a winter road and the reassessment of bringing hydro power to the site instead of on-site diesel power generation.

“Our aim is to develop a project which will bring sustainable benefit to the region, meet the regulatory requirements and satisfy our shareholders,” said Jeremy Wyeth, Vice President Victor

Diamond Project. “We are delighted by the warm welcome and support we received from the local business communities and look forward to working with them as Victor moves toward mine development.” Construction and development of the mine is estimated at \$820 million.

ENVIRONMENTAL MOU LEADS TO RECLAMATION WORK

The Memorandum of Understanding (MOU) between the Ontario Mining Association and Ministry of Northern Development and Mines was designed to have industry and government work together to help clean up the industry's environmental legacy. The MOU is now moving ahead with a specific project.

The OMA/MNDM agreement created 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 first project being tackled is to put vegetation on the new tailings impoundment dam at the old Kam Kotia mine outside Timmins. The purpose is to stabilize the tailings dam and prevent erosion. This project also involves carrying out some repairs on the dam.

The dam surface area requiring erosion repair and vegetation is more than 122,000 square metres and the cost will range from \$250,000 to \$450,000. The Crown holds the surface and mineral rights on this property. The project puts tangible rehabilitation work behind the groundbreaking MOU.

NEW DEPUTY TO ARRIVE AT MINES MINISTRY

After 32 years in the Ontario Public Service, **Cameron Clark**, who most recently has been the Deputy Minister of Northern Development and Mines, is retiring.

Suzanne Hebert has been appointed to replace Mr. Clark as the new Deputy Minister of Northern Development and Mines. She has a long career within the Ontario Public Service. Most recently, she was Deputy Minister of Education for five years when that position certainly would have been a hot seat. Previously, she was Deputy Minister of Community and Social Services and held other positions within the ministries of education and community and social services. She also served as Chief Executive Officer for the Ontario Housing Corporation.

Ms. Hebert holds a social services diploma from Ryerson Polytechnical University and has studied at the Ontario College of Art.

INDUSTRY-GOVERNMENT SHARE OUTLOOKS

At the 61st Mines Ministers Conference, which was held in Iqaluit, Nunavut, in July, there was some common ground staked by industry and government. Ontario Minister of Northern Development and Mines used the conference to support four main themes.

They were the need for a single national securities regulatory agency, the promotion of continuing the program of flow-through share tax credits, continuing to work on cooperative geoscience strategies and maintaining and building consensus with Aboriginal communities.

In its main brief at the conference, industry presented declining reserves as one of the main risks to the industry in the future. The industry recommended a single national securities regulator, cooperative geological mapping, continuing the flow-through share program and an exploration investment tax credit.

On a national scale, ore reserves in Canada have slide dramatically. From 1977 to 2002, copper ore reserves are down 61%, lead 90%, zinc 74%, nickel 37% and silver 64%. Agreement on how to reverse this trend is at least a step in the right direction toward solving the problem.



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.

Ontario's gold sector is giving health care in the province a shot in the arm. Rob McEwen, Chairman and Chief Executive Officer of Goldcorp, earlier this year made a personal donation of \$1 million to the Red Lake Margaret Cochenour Memorial Hospital. This contribution will help support the

regional hospital's Patient Care Renewal Project. This is a great boost to the health care infrastructure in this gold mining community. Ken McGeorge, CEO of the Red Lake hospital said Mr. McEwen's "generosity makes it possible for the hospital to complete the project without incurring debt.

In looking beyond the community where Goldcorp's Red Lake Mine is located, Mr. McEwen donated \$10 million to the Toronto General and Western Hospital Foundation. These funds helped lead to the establishment of the McEwen Centre for Regenerative Medicine at the University Health Network. Mr. McEwen said it is vital to fund Canadian-based research to ensure that "a most remarkable treasure, our world-class medical research and health care community" remains vibrant.



MINERS ON THE MOVE

Richard Ross, President and Chief Executive Officer of Inmet Mining, has been elected as the new Chairman of the Mining Association of Canada. He is a key member of the MAC Board and he is a leader in the Towards Sustainable Mining process. Mr. Ross is elected for a two-year term and he succeeds **Jim Carter** of Syncrude.

At Newmont Mining Corp., **Russell Ball** has been appointed Vice President and Controller. Previously, he was the

company's group executive for investor relations.

At the Prospectors and Developers Association of Canada, **Philip Bousquet** has joined the organization as Director Sustainability. For the PDAC, he will be managing environmental, land use, aboriginal affairs and geoscience issues. This newly created position is targeted to strengthen the advocacy work of the PDAC.

DOMES CELEBRATION ATTRACTS HIGH CROWDS

Earlier this year, Placer Dome held a ceremony acknowledging the last underground shift at the Dome Mine after 95 years of operation. In July, there were major celebrations in the Timmins area over the lengthy legacy and history of the Dome Mine along with the promise for the future held by the Porcupine Joint Venture.

The tradition of gold mining excellence lives on in this region. Local reports tell us that more than 500 people attended the dinner-dance, more than 7,000 participated in the family picnic and 10,000 people were on hand for the fireworks. It was clearly a round of events and celebrations worthy of the history of the Dome Mine and its contributions to the society and economy of Timmins and Ontario.

OMA PROJECTS TO BE AVAILABLE IN THE FALL

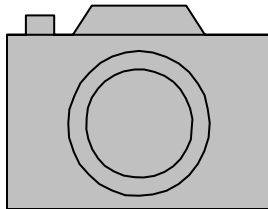
The Ontario Mining Association is working on three major projects, which will be available in the fall. Ontario's mining industry is dedicated to environmental improvement and the

publication “*Towards Greener Footprints*” highlights some of the positive results of that dedication.

This report is intended to educate and inform stakeholders of the importance that the Ontario mining industry places on environmental protection and to communicate some of the environmental achievements and best practices that have been realized and developed over the years. The publication will be posted on the OMA website when it is printed.

On the economic front, the year 2004 edition of “*The Economic and Fiscal Contribution of the Mining Industry in Ontario*” is scheduled to be completed by late October. Also, being researched and worked on at this time is a study for the Ontario Mineral Industry Cluster Council.

It is striving to provide a broader scope and more inclusive picture of the role mining and the other sectors it supports contribute to the society and economy of this province. Similar to the environmental report, these economic studies will appear on the OMA website.



TAKE YOUR BEST SHOTS FOR THE CIM CONTEST

The Canadian Institute of Mining, Metallurgy and Petroleum wants you to enter your best mining related photographs for its contest. The deadline for the contest is September 30,

2004. The winning entry will become the cover of the January 2005 issue of the CIM Bulletin magazine. Also, the winner will gain free registration for the CIM conference and exhibition *Mining Rocks* in Toronto in April 2005. There will be plenty of prizes for those providing runner-up photographs.

For those camera buffs who are interested send your photos by e-mail to editor@cim.org or mail them in to Editor, Canadian Institute of Mining, Metallurgy and Petroleum, 1210—3400 de Maisonneuve Blvd. O. Montreal, Quebec H3Z 3B8. Stay in focus!

MINING PROFESSOR GAINS PROFESSIONAL HONOUR

Peter Kaiser, mining engineering professor at Laurentian University in Sudbury, has been inducted as a fellow into the Canadian Academy of Engineering. He is president of Laurentian’s Mining Innovation, Rehabilitation and Applied Research Corporation (MIRARCO).

He specializes in applied research for mining and is credited with more than 200 scholarly articles in a variety of publications. The OMA salutes the success of Mr. Kaiser and his contributions to the industry.

INDUSTRY MAGAZINE FINDS A NEW HOME

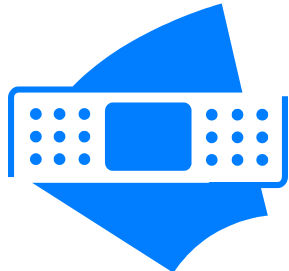
The Canadian Mining Journal is relocating to a new home. Its new address is Suite 800, 12 Concorde Place, Toronto, Ontario M3C 4J2. The main reception telephone number at the office in the Eglinton-Don Valley Parkway area of Toronto is (416) 442-5600.

GLOBAL MINING PROFITS ON THE RISE, REPORT SHOWS

A report by management consultant PricewaterhouseCoopers (PwC) – Mine: A Review of Global Trends in the Mining Industry -- shows profits, market capitalization and exploration spending all increasing in 2003 from the year earlier.

The steady increase in the price of gold over the past two years and strong base metals prices have lead to this upsurge. “We seem to be at the start of the first mining boom in the 21st century,” said Paul Murphy, PwC’s Canadian mining practice leader.

However, he also provided a note of caution. “While there is no doubt the recent improvement in profitability is very encouraging for both Canada and the global industry, the challenge remains for mining companies to deliver acceptable returns even in the downturn.”



THERE IS A SILVER LINING TO NEW HEALTH TREATMENTS

Breakthroughs in technology are finding new applications for silver, which can improve the health of us all. There are new bandages in use which contain silver in the wound pad to protect cuts and scrapes from infection. Also, a silver based antibacterial solution is being used for killing germs on hard surfaces in settings such as restaurants,

child care facilities and medical facilities.

The industrial use of silver increased 3% in 2003, compared with 2002, to 351.2 million ounces. With new applications this old metal could certainly be gaining a new shine.

Last year, Ontario produced 145,000 kilograms of silver with a value of \$31.7 million.

CAMA PLANS MEETING IN YELLOWKNIFE, NWT

The Canadian Aboriginal Minerals Association has scheduled its annual conference for October 24 to 26, 2004 in Yellowknife, Northwest Territories. The theme of this year’s event is “Certainty through partnership.” Further details are available at the website www.canadaforum.com/cama_2004_conference.pdf.



**“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.