



OMA ECONOMIC STUDY HIGHLIGHTS POSITIVE CONTRIBUTIONS OF MINING

The year 2004 edition of *“The Economic and Fiscal Contribution of the Mining Industry in Ontario”* has now been successfully completed. This important benchmarking economic impact study is done every other year. It was produced for the Ontario Mining Association by the University of Toronto’s Institute for Policy Analysis and Datametrics Consulting Inc. It is produced with the support and cooperation of the Ministry of Northern Development and Mines.

A full version of the report is also available on the OMA’s website at www.oma.on.ca. From the home page of the website, the “Publications” section will direct you to the economic impact study, which has a key word index to facilitate locating specific information.

The report shows that the mining sector in Ontario has been on a cyclical upswing following its struggle through some tough times. Most importantly, the industry continues to show leadership in several areas including investing in safety, worker training, environmental protection and research and development. This is a modern high-tech industry with a future.

The mining industry is on the top with a productivity improvement of 42%



BEST WISHES FOR THE SEASON FROM OMA STAFF FOR 2005

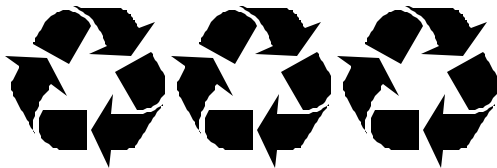
The staff at the Ontario Mining Association – Chris Hodgson, John Blogg, Peter McBride, Barbara Mossop, Paulette Washer and Dawn Inks -- would like to wish all our associates, colleagues and acquaintances the best for the holiday season. Let’s hope the year ahead will be safe and prosperous for us all.

between 1997 and 2003. This ranks mining ahead of the chemical sector 26%, total manufacturing at 16% and the

motor vehicle sector with a 15% productivity gain.

In the value added category, mining comes in at almost \$239,000 per employee annually. This puts mining well ahead of the manufacturing average of \$135,413 and the computer and electronics sector at \$115,874 per employee annually. It looks like the provincial economy would benefit greatly with having more miners in the workforce.

There are numerous other categories in the study such as employment levels and tax contributions to various levels of government, which demonstrate that mining continues to be a valuable contributor to the economy of Ontario and a builder of society in this province.



ENFORCEMENT STATUTE BILL 133 UNITES ITS OPPONENTS

It is not always easy for different industrial sectors to be unified. Producing different products, for different markets, competing against each other, different cultures, divergent histories and other factors tend to emphasize differences more than common interests. So you know if different industrial sectors can agree on something, from their varying perspectives, it is likely really good – or really bad.

Bill 133 – Environmental Enforcement Statute Law Amendment Act – appears to be one of those pieces of proposed legislation, which has the force to bring

different sectors together. The OMA helped bring together a huge number of industry associations to express their common concerns over Bill 133.

A letter expressing those concerns, which was sent to Premier Dalton McGuinty, Environment Minister Leona Dombrowsky and other cabinet ministers, was signed by executives from the Ontario Mining Association, the Canadian Manufacturers & Exporters, Canadian Chemical Producers Association, Canadian Steel Producers Association, Ontario Energy Association, Canadian Petroleum Products Institute, Ontario Forest Industries Association, Canadian Vehicle Manufacturers Association, Cement Association of Canada, Ontario Prospectors Association, Prospectors and Developers Association of Canada, Rubber Association of Canada, Canadian Foundry Association and others.

There was no prior consultation before the introduction of the bill and little time was originally allowed to respond to it. “A few of the many issues that have been identified as significant include: the uncertainty of the new test for prohibited discharges to the environment; the new environmental penalties which are absolute liability offences; the reverse onus for appeals to the Environmental Tribunal; the increased general penalties; and, the reverse onus for directors and officers in a prosecution for an offence.”

Industry organizations see the proposed legislation as a barrier to future investment and job creation in Ontario. The letter said “we recommend that an economic analysis and a regulatory impact analysis be performed to

determine the effects of the changes on the economy of Ontario.” In summary, it concluded that “Bill 133 in our view will bring little, or no, environmental improvement and will add great risk to the economy of Ontario and the economies of our communities.”

The government has agreed to extend the comment period on Bill 133 to January 7, 2005. It is not too late to make your viewpoints known.

The OMA along with representatives from member companies Inco, Falconbridge and Placer Dome as well as the Ontario Prospectors Association and the Prospectors and Developers Association of Canada met with Mines Minister Rick Bartolucci recently to express these concerns about Bill 133. The OMA appreciates the accessibility and openness of Mr. Bartolucci and his role in support of the mineral sector and northern development.



ASSESSMENT REVIEW BOARD UPHOLDS DENISON POSITION

It began four years ago, when the City of Elliot Lake applied to change the classification of tailings areas from unoccupied commercial to occupied industrial and to relate the value of tailings to the environmental improvements made in compliance with the Mining Act to carry out rehabilitation and restoration activities. Since that time, Denison Mines and Rio Algom battled against these misguided contentions of Elliot Lake.

The Ontario Mining Association on behalf of the sector supported the companies in their patient efforts to address this issue fairly and equitably. In a recent press release, Denison stated it “is pleased to announce that the Ontario Assessment Review Board released a decision confirming the assessed values on the company’s Elliot Lake closed mine site.”

“The Review Board’s decision was in relation to the complaints filed by the City of Elliot Lake concerning the property assessment values on and the classification of the company’s Elliot Lake closed mine site. The decision completely supports the company’s position by confirming the assessed value of the Municipal Property Assessment Corporation that were \$108,700 rather than in excess of the \$62 million asserted by Elliot Lake.”

However, the tailings management area was reclassified as commercial land rather than vacant commercial, under the assessments, or occupied industrial, as claimed by Elliot Lake. This reclassification will increase Denison’s realty tax by \$5,000 per year.

The OMA raised this issue in pre-budget submissions, to commissions studying municipal taxation fairness and in other venues at Queen’s Park. The view that by obeying the rules and intent of the Mining Act and adding features to a property to safeguard the environmental integrity of surrounding lands and safety of residents should not be penalized has been upheld.



EXPOSURE LIMIT CHANGES NEED SCIENTIFIC SUPPORT

The Ontario Mining Association and its members have reviewed and examined the proposed changes to 86 occupational exposure limits (OELs) by the Ministry of Labour. Following the study, the OMA has found serious concerns over four of the proposed limit changes involving diesel fuel, methane, silica and sulphuric acid.

The OMA and its members support changes to OELs where there is clear evidence that there is health and safety risk to workers. The OMA has produced a report which deals with the proposed alterations to the limits involving the four substances in question. However, there are more general and broader recommendations concerning OELs that the OMA has presented to the Ministry of Labour.

The OMA would like to see all proposed changes involve a broad consultation and that they be reviewed by third party scientific and medical experts in the context of the province's workplace environment. The OMA would like to see a panel, accountable to the deputy minister of labour, develop criteria to recognize these third party experts. A full text of the OMA submission on the OELs can be provided upon request.



MINERS ON THE MOVE

At Teck Cominco, **Donald Lindsay** has been appointed President of the company, starting January 1, 2005. Currently, President of CIBC World Markets, Mr. Lindsay is a mining engineer. Teck Cominco's head office is located in Vancouver.

At Inco's Sudbury division, **Michael Winship** has been named General Manager Mining for Ontario Operations. He is charged with the tasks of developing life of mine plans and five year operating plans and managing the mining team that will provide a sustainable production base for operations as well as improving operating margins. Mr. Winship joined Inco in 1995 and has held a number of different positions since then. Previously, he was with gold producer Placer Dome for 12 years. "His commitment to the safety and well being of his team and Inco's employees has been a characteristic of his leadership in all the areas that he has worked," said **Mark Cutifani**, Inco's President Ontario Operations.

Also at Inco, the new General Manager Business Planning and Development for Ontario Operations is **Tyler Mitchelson**. He has experience at Inco's operations both in Manitoba and Indonesia as well as head office in Toronto. In addition, **Fred Stanford** is appointed to the temporary position of Manager

Operations Improvement and **Al Akerman** has been named acting Manager of Maintenance, General Engineering and Support Services.

On the processing side of the business for Inco in Sudbury, a number of temporary appointments have been announced. They include **Marc St. Amant** as Manager Bulk Smelter, **Heiko Leers** as Manager Matter Processing and Sulphur Products and Utilities, **Mike McCann** as Manager Copper Business and **Brendan O'Rourke** as Superintendent of the Copper Refinery.

John Hafidson has started his new duties as President and Chief Executive Officer of Young-Davidson Mines. He has more than three decades experience in the Canadian mining industry. In the past, he has been a mine manager and Director of the OMA.

At the Porcupine Prospectors and Developers Association, the executive for 2005 is as follows: **Bill MacRae** as President, **Brian Polk** as Vice President, **Bob Calhoun** as Secretary and **Dean Rogers** as Treasurer.



PLANNING IS STARTING FOR 2005 OMA CONFERENCE

The dates to mark in your 2005 Ontario Mining Association pocket calendar are September 19 to 21, 2005 in Sudbury for the OMA conference. After holding earlier conferences in the Orangeville area in 2003 and the Barrie region in 2001, the OMA is going North.

The 2005 event, which combines meetings with OMA Directors, OMA Mine Managers and committee participants with workshops and an annual meeting, is going to be held in Sudbury. Details to follow.

OMICC MAKES PROGRESS ON MINERAL POLICY

A three-person subcommittee of the Ontario Mineral Industry Cluster Council (OMICC), involving former OMA President Patrick Reid, is preparing a draft of an "Ontario Mineral Policy." It is scheduled to be presented to OMICC early in 2005. The OMA has been working on recommendations for improving the effectiveness and efficiency of the permitting process for mines in Ontario.

Also, the OMA with the University of Toronto is busy working on a study for OMICC. 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. This economic study will appear on the OMA website when available.

The launch of OMICC was announced by Rick Bartolucci, Minister of Northern Development and Mines, previously. OMICC, which has representatives from industry, government and academic circles, is charged with the task of helping to develop a plan to strengthen Ontario's mineral cluster.



WATER PROTECTION GROUP PRESENTS ITS SUGGESTIONS

After a great flurry of activity and lot of effort, the Source Water Protection Implementation Committee has presented its recommendations to Ontario Environment Minister Leona Dombrowsky. This committee, which included former OMA President Patrick Reid, was established last January. It was charged with the task of making recommendations on how to safeguard Ontario's drinking water, following the Walkerton tragedy.

The committee made 175 recommendations, some which will take years to implement. There is to be source water advisory boards established in each watershed to suggest how to best protect drinking water. The recommendations are posted on the environmental registry and there is a comment period.

GREATER CONSOLIDATION OF MINING EXPERTISE

In Sudbury, Laurentian University's mineral exploration department is being relocated into the Willet Green Miller Centre (WGMC). The Northern Ontario Heritage Fund Corporation (NOHFC) is providing more than \$2.5 million to Laurentian University to move its Department of Earth Sciences and Central Analytical Facility.

When the mineral exploration expertise is relocated into the WGMC, it will bring under one roof the Ontario Geological Survey, the Mineral Exploration Research Centre and the mining innovation corporation MIRARCO. This move further integrates mining research and development.

“By promoting the collaboration between academics, researchers, government and industry, we are fostering the development of Sudbury and Northern Ontario as a centre of excellence for mining, mining products and services,” said Rick Bartolucci, Minister of Northern Development and Mines and Chair of the NOHFC.



HOW GLOBAL IS THE MINING INDUSTRY?

The Canadian Association of Mining Equipment Suppliers for Export (CAMESE) helps remind us just how truly international the mining industry is and the role Canadians play in that global business. CAMESE is making plans now on behalf of its members for participation in 13 mining trade shows in 12 countries between March 2005 and November 2005.

These shows range from the Prospectors and Developers Association of Canada convention in Toronto, to *Mining World Russia 2005* event in Moscow, to the Canadian Institute of Mining,

Metallurgy and Petroleum annual general meeting and trade show in Toronto.

Other events CAMESE is looking at include *Arminera* in Buenos Aires, *MINEX 2005* in Izmir, Turkey, *Exponor 2005* in Antofagasta, Chile, *Extemin 2005* in Arequipa, Peru, *Exposibram 2005* in Belo Horizonte, Brazil, *Mining Indonesia 2005* in Jakarta, *Expomin 2005* in Vera Cruz, Mexico, *GME 2005* in Kalgoorlie, Australia, *China Coal and Mining Expo 2005* in Beijing and the *20th World Mining Congress and Expo* in Tehran.

The Ontario Mining Association enjoys a supportive working relationship with CAMESE. Peter McBride, OMA Manager of Communications, participated in CAMESE's recent annual meeting and spoke about the economic impact of mining and mine suppliers in Ontario.

OMA PRESIDENT TO EMCEE HALL OF FAME DINNER

Ontario Mining Association President Chris Hodgson will be the emcee at the Canadian Mining Hall of Fame induction ceremony and dinner. The event is being held in Toronto on Thursday, January 20, 2005 at the Royal York Hotel.

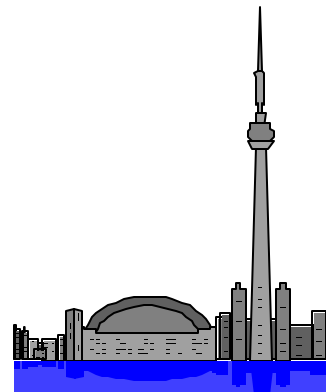
The new inductees are Alan Kulan, Adolphe "Lap" LaPrairie, Austin McVeigh and J. Tuzo Wilson. For further information call (905) 339-0898 or check out the website at www.halloffame.mining.ca.



RESOURCEFUL STATION HAS ITS TELEVISION LAUNCH

In the New Year, there is going to be a new voice among the range of available television stations in Canada. What is billed as the world's first natural resources television station – IDNR-TV – has been granted an operating license from the Canadian Radio-television Telecommunications Commission (CRTC).

The station is sponsored by Linear Capital Corporation and invites all to participate in "a new and powerful voice for the Canadian natural resource sector." This could be the start of many people's new favourite viewing.



IN 2005, MINING WORLD IS COMING TO TORONTO

The Prospectors and Developers Association of Canada has its annual international convention, trade show and investors exchange booked for March 6 to 9, 2005. The centre of the action will

be the North Building of the Metro Toronto Convention Centre.

Some of the topics on the technical program will include commodities and market outlooks, diamonds, geophysics, opportunities in Africa and new discovery plays. For further information about this international event check out the PDAC website at www.pdac.ca.

Then the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) will hold its annual general meeting and conference from April 24 to 27, 2005 in Toronto. "Mining Rocks! Toronto 2005" is being held at the Metro Toronto Convention Centre. For further information and details on this important industry event take a look at the website www.cimtoronto2005.org.

THE RUSSIANS WERE COMING THE RUSSIANS WERE COMING

The Ontario Mining Association lent a hand to the efforts of Marc Leroux and the Ministry of Northern Development and Mines to make a presentation to a delegation of Russian bureaucrats, recently. The Russians were on an expedition to various parts of Canada to gain insights into how to responsibly regulate and promote mineral development within their borders. In a half-day meeting, the OMA and MNDM combined forces to present a positive, constructive and unified view of mining.

SHOW WILL DEMONSTRATE WHY MINERALS ARE ESSENTIAL

At the CIM "Mining Rocks! Toronto 2005" show, there is going to be a special component called "Mining In Society." It will demonstrate in real ways the important role that mining

plays in our lives and our standard of living.

Admission is free. So why not come by learn about Canada's colourful mining history and visit the Canadian Mining Hall of Fame, test your mining knowledge and learn about jobs and career opportunities in the industry. You may even want to get a start on your own gem and mineral collection and learn about technological advances in the mining industry.

KIDS' MINE SAFETY CALENDAR DOES A REPEAT PERFORMANCE

In the last issue, there was an item about the "2005 Abandoned Mine Hazard Awareness Calendar" from MASHA (Mining and Aggregates Safety and Health Association). Kids produced the art to deliver the safety message. Artistic kids have a firm grasp on the safety message. More than 250 students provided their art work and entered the contest. The top 13 posters are featured in the calendar.

The exercise was so successful that MASHA and the Sudbury Mining Week Committee with the involvement of the Ministry of Northern Development are running a similar contest in 2005.

WATCH FOR JANUARY ISSUE OF CANADIAN MINING JOURNAL

The January 2005 issue of the Canadian Mining Journal will be one to watch. It will be featuring developments in Ontario's mineral sector as well as some of the current activities of the Ontario Mining Association.



“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.