



PDAC Activities and Canadian Exploration News

Spring awareness program promotes “super” flow-through shares

The PDAC is planning a spring awareness program to promote “super” flow-through shares. The program consists of a series of national workshops and seminars that will take place in selected cities across Canada.

The association is currently in contact with the office of Minister of Natural Resources Ralph Goodale for the purpose of planning, costing and organizing the initiative.

The spring awareness program will likely focus on the financial centres of Toronto, Vancouver, Calgary and Montreal and will be targeted at an audience of retail brokers, financial planners and tax specialists.

The PDAC will be asking regional associations and brokerage companies or funds to take a leading role in participating in or sponsoring the workshops.

The day-long sessions will take place in a hotel located in the targeted city’s financial centre. Presentations will be made by Robert Clarke, who is Director, Tax and Mineral Resources Division, Economic and Financial Analysis Branch, Minerals and Metals Sector, Natural Resources Canada, and by PDAC issues director David Comba.

To allow regional input, a local member of the brokerage and/or resource fund community will also be asked to participate.

The 90-minute session, repeated throughout the day, will accommodate up to 50 people at a time. Each session will consist of 45 minutes of presentation and 30 to 45 minutes of questions.

Both Natural Resources Canada and the PDAC will provide promotional pamphlets that can be distributed by those attending the workshop to their peers and clients. The meetings will also be widely advertised through trade journals for financial planners, retail brokers and other relevant audiences.

Survey shows unfavourable policies can outweigh mineral potential

Unfavourable policies can make an area unattractive for mining investment no matter how attractive its geology, according to the Fraser Institute’s 2000/2001 *Annual Survey of Mining Companies*.

Conducted by the Vancouver-based think tank, the survey asked mining companies to rate the investment attractiveness of North American and international mining jurisdictions.

The survey, which relies upon outside funding, was supported financially by the PDAC because of the valuable information it provides to government and industry.

The institute used survey responses to create three indices. Two measured attractiveness for new investment based on geology and the effects of government policies. An overall index considered both mineral and policy factors.

Results of the survey showed Nevada and Chile topped the list for overall investment attractiveness, ranking high in both mineral potential and policy. Ontario, the top ranking Canadian jurisdiction, placed third with a score of 86 out of 100, and Quebec placed ninth.

PDAC in Brief is a quarterly newsletter published by the Prospectors and Developers Association of Canada. The newsletter is designed to inform the association’s members of the activities of the PDAC and also of current issues and events of interest to the Canadian exploration and development industry.

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PDAC elects new directors

The PDAC annual meeting, held during the PDAC Convention in March, elected ten new directors to the association’s board. They are:

André J. Gaumond, Quebec City	Colin McKenzie, Mississauga	John Paterson, Toronto
Robert Schafer, Toronto	David Simms, Mississauga	Anne Slivitzky, Montreal
Kerry Smith, Toronto	Mark Smith, Toronto	Karen Sutherland, Toronto
Rob Whittall, Toronto		

The following six directors were re-elected to serve a further term:

Jon Baird, Markham	Peter Dimmell, St. John’s	Allan Doherty, Whitehorse
David Harquail, Toronto	Wally Rayner, Toronto	Ian Thomson, Vancouver

PDAC awards honour outstanding achievement

A team of five explorationists and a centenarian were among this year's winners of the PDAC 2001 Annual Awards. The awards were presented at a gala banquet held during the PDAC convention in March.

Bill Dennis Prospector of the Year Award

The Bill Dennis Prospector of the Year Award was presented to Hudson Bay Exploration and Development's exploration team for its recent exciting discoveries of the Triple 7, Konuto Lake and Photo Lake orebodies in the Flin Flon area of Manitoba.

Donald J. Birak, Ted Baumgartner, Donald Colli, James R. Pickell and Kelly Gilmore were honoured for their diligent exploration and application of sound geological principles in making these new discoveries. Their finds, located in a mature mining camp, will have a far-reaching impact both for Manitoba communities and for the company.

Viola MacMillan Developers Award

The Viola MacMillan Developers Award went to Ebe Scherkus, executive vice president and COO of Agnico-Eagle Mines Ltd., for work at the LaRonde Mine in northwestern Quebec. Scherkus and his team were honoured for their tremendous accomplishment in discovering and successfully developing the orebodies of zones 20 north and south, including the sinking of the Penna #3 shaft and the expansion of the mill from 1,000 to 5,000 tonnes a day.

Distinguished Service Award

Two men, Duncan Crone and Bruce Dunlop, won the Distinguished Service Award.

Duncan Crone is recognized for his lifetime's work and achievement in geophysics and for his many important contributions to the advancement of the science. In particular, he is honoured for his involvement in the development of the time-domain borehole and surface EM systems.

Bruce Dunlop's distinguished service award recognizes his championing of the interests of Canadian prospectors and the outstanding work he has done on their behalf. The award is a

tribute to the tireless efforts he has expended and the battles he has fought for the exploration industry in Manitoba, and for a lifetime of loyalty, commitment and service to the PDAC.

Environmental Award

The Environmental Award went to Cominco for environmental excellence at its Trail, B.C. operations and for the exemplary way in which the Sullivan mine is being closed. The award also recognizes the company's overall commitment to environmental responsibility.

Special Achievement Award

Centenarian Frank Hoey's lengthy prospecting career was recognized in this Special Achievement Award. Now looking forward to his 101st birthday in September, he is testimony to the healthy lifestyle of the prospector (see *In Brief*, Winter 2000).

Honorary Director

A. Wayne Lockhart was recognized for his 25 years of exemplary service as a PDAC director and, as a representative of New Brunswick, for serving and speaking up for the exploration industry in the East so effectively.

Honorary Life Memberships

Two honorary life memberships were also presented at the awards event.

John A. Hansuld was recognized for his 20 years of outstanding work for and dedication to the PDAC, both as director and as president. His many contributions to the association include his involvement in convention planning.

Frank Tagliamonte was honoured for his dedication and many contributions as a PDAC director. He expended a great deal of time and effort on the Ontario Lands for Life process on behalf of both the PDAC and the exploration industry in Ontario.

PDAC welcomes harmonization

The PDAC welcomes a decision by the Ontario government to harmonize its proposed exploration investment tax credit with that of the federal government.

Calling it a "common sense move," PDAC Executive Director Tony Andrews said last December's decision will make it easier to explain the benefits of flow-through shares to potential investors.

Harmonization will avoid the confusion that often arises over two-tier credits and deductions, he said.

With the 15 per cent federal tax credit now combined with the Ontario five per cent credit, an investment in flow-through shares becomes an attractive tax shelter for Ontario residents. For example, a \$1,000 investment in eligible flow-through shares

nets a tax savings of \$581 over two years. The initial combined savings are \$676 in the first year, with a combined tax cost of just over \$95 in the second.

Andrews praised the provincial government for supporting the PDAC's campaign for measures to stimulate investor interest in mineral exploration.

Progress made on improving northern regulatory regime

Progress is being made toward improving the regulatory regime in the North. About 12 months ago, Gary Lee, president of the Yukon Chamber of Mines, arrived at the Toronto PDAC offices on his way to Ottawa, and asked for the association's support in his efforts to draw the federal government's attention to the current economic plight of the Yukon Territories.

Since 1996, revenues from mining in the Yukon have plummeted by 86 per cent and exploration levels are currently hovering at around \$8 million annually, compared to a previous 10-year average of \$25 million annually. The only operating mine in the Yukon, the Brewery Creek Mine, is set to close in the near future.

The Yukon has been suffering through a global down-cycle in the mining industry that began in 1997 and has affected every mining jurisdiction in the world. However, it has also been struggling with some serious regulatory impediments that have cast a cloud over its investment climate.

Al Doherty, who serves as a director on the boards of both the Yukon Chamber of Mines and the PDAC, points out that the Yukon, and the North as a whole, are endowed with significant mineral potential that historically has not received the attention it warrants.

"We want to work with government to re-establish an attractive investment climate," he says. "This will enable us to fully participate in the next upturn in exploration investment, signs of which are already beginning to emerge."

Tony Andrews, executive director of the PDAC, says, "A healthy mining industry means a strong Yukon economy and a significant opportunity for the many aboriginal communities located there."

With a prospector's persistence and PDAC support, Gary Lee gained the attention of federal politicians and senior officials. The result was a well thought out response by the federal Department of Indian and Northern Affairs (DIAND) last October and an encouraging speech in January this year by DIAND Minister Bob Nault.

In a speech at the Cordilleran Roundup

Convention in Vancouver, Nault reaffirmed that "resource development – and particularly mining – has been, and continues to be, the backbone of the northern economies. It plays a vital role in both the economic and social development of the many communities across all three territories."

The original focus on the Yukon has now evolved into a full-fledged review of the regulatory regime in the North, including the Yukon, the Northwest Territories and Nunavut. Significant regulatory improvements need to be made in all three jurisdictions and some of them are urgent.

A special industry-government task force will spearhead the initiative. Reporting to Nault, the task force includes the most senior government officials from DIAND and the three territorial governments.

Industry members include representatives from exploration and producing companies operating in the North, the Yukon Chamber of Mines, the NWT and Nunavut Chambers of Mines, the PDAC and the Mining Association of Canada.

Jim Excell, president of Ekati Diamond Mine, will co-chair the task force along with a senior official from DIAND, most likely at the associate deputy minister level. He says the industry is encouraged by this new initiative.

"The industry members of the task force feel that there is a real commitment by government to work with us to improve the permitting process," he says. "The goal is to allow exploration and mining companies to comply with the regulatory requirements in a timely and efficient way, and at the same time operate within high environmental and social standards."

Both government and industry participants are enthusiastic about the concept of a Northern Mines Ministers Conference, to be held each year to report on progress, identify challenges and network with all affected stakeholders.

In summing up a March meeting with Nault in Ottawa, Andrews noted that, "the minister is very committed to this initiative. His priority is not just another committee process but action and results. We are all thinking along the same lines."

OSC proposes retirement of junior issuers policy

The Ontario Securities Commission (OSC) is considering allowing Policy 5.2 to expire in July because its provisions may no longer be required.

The policy deals with junior resource issuers in Ontario and arose out of a review of the junior natural resource sector conducted by the Thompson Committee in 1986. It focused primarily on Ontario's competitiveness compared to that of other provinces.

The committee's findings led to adoption of Policy 5.2 in 1988. Its provisions covered four categories: curbing specific abuses that had been occurring in the junior natural resource capital markets; regulating arms length and non-arms-length transactions; providing exemptive relief for share-for-debt issuances and financial assistance from insiders; and regulating disclosure.

In considering the expiry of Policy 5.2, the OSC looked at several factors.

As a result of Canada's exchange restructuring, junior natural resource issuers are now primarily listed on CDNX, which has regulations that are broadly equivalent to those contained in Policy 5.2.

In addition, as a policy that applies only to Ontario, Policy 5.2 is inconsistent with the Canadian Securities Administrators' objective to establish consistent regulation across its member jurisdictions.

Further, the OSC's 1996 task force on small business financing recommended that financing requirements and regulatory regimes not be industry-specific.

The OSC also looked at the Canadian Unlisted Board and found that given the low visibility of the unlisted market and the limited number of mining issuers reported on it, a separate instrument regulating the affairs of these mining companies is not warranted.

It further concluded that it is unlikely that the evolution of automated trading systems will result in a significant regulatory gap for the junior natural resource sector.

The OSC asked interested parties to make written submissions prior to Mar. 30, 2001. Subject to comments that might be received, the policy is due to expire July 1.

PDAC opens Speakers Bureau

The PDAC has opened a Speakers Bureau that will offer presentations by volunteers and staff on a broad range of topics. The addresses would be suitable for seminars, workshops, conferences or luncheon events.

The new venture is part of the PDAC's continuing efforts to provide services to its membership in categories of advocacy, information and knowledge, and networking and facilitating. Presentations offered by the PDAC Speakers Bureau will change periodically to ensure that topics remain relevant and current.

If you are organizing a seminar, workshop, conference or luncheon and would like to include one of the PDAC's presentations in your program, please contact Mari Ann Semkiw at the PDAC offices, email msemkiw@pdac.ca; telephone 416-362-1969, ext. 227; fax 416-362-0101.

Topic: A bottom line approach to community relations

Speaker: Ian Thomson, PDAC Director; Ian Thomson Consulting, Vancouver

Summary

Failure to understand local realities and involve the community constructively creates the risk of costly delays or even termination of mineral exploration and development projects due to disruption, confrontation and conflict over social, cultural and environmental issues. This paper examines the trends and influences behind the greatly increasing significance of social issues and also the skills and tools required for a mining company to establish and maintain good community relations in a way that minimizes project risk.

Topic: Prospectors and Developers Association of Canada Mining Matters (PDACMM) – A model of a successful business-education-government partnership

Speaker: Patricia Dillon, PDAC Director; Education Committee Chair; Director, External Liaison, Lassonde Mineral Engineering Program, University of Toronto

Summary

This presentation describes the development, inner workings and future directions of the PDAC Mining Matters (PDACMM) program. PDACMM is a charitable organization that produces educational resources to support teachers in the delivery of curriculum requirements related to the Earth's crust, rocks, minerals and the importance of the minerals industry. Active classroom teachers design the units, the minerals industry provides the financial support and many of the samples, and governments contribute funding, volunteer help and assist with print resources. To date over 4,000 units have been produced and distributed in Ontario at the Grade 4 and Grade 7 levels.

Topic: Public image of the mining industry: Some myths and realities

Speaker: Tony Andrews, Executive Director, PDAC, Toronto

Summary

A review of information and experience accumulated in Canada over the past 15 years shows how the underlying assumptions with respect to the issue of the public image of the mining industry, as originally understood, were fundamentally wrong. Evidence is presented which indicates that strategies

focused primarily on the general public will not be effective in altering the way in which the mining industry is perceived and therefore improving its public image. The view is presented that the focus of our efforts should be on *special publics* as opposed to the *general public*. Our ultimate objective should be the improvement of *public trust* rather than simply *public image* and to accomplish this based on what we do, as opposed to simply what we say.

Topic: Stimulating new exploration investment in Canada: The new regime of the federal tax credit

Speaker: David Comba, Director of Issues Management, PDAC, Toronto

Summary

Investment in mineral exploration has been depressed since 1997. The macroeconomic factors involved in this worldwide condition, combined with the current lack of interest of investors in the resource sector, have been particularly hard on the Canadian junior sector, which is now struggling to survive. As a result of a national campaign launched by the PDAC in September 1999, the federal government announced in October 2000 the introduction of an Exploration Incentive Tax Credit (EITC), linked to flow-through shares. The EITC is a much-needed respite for the exploration industry and offers a benefit to the investor roughly equivalent to the federal portion of the former Mineral Exploration Depletion Allowance (MEDA). The question remains, however, whether or not the federal initiative alone is enough to accomplish the job of rekindling investor interest in the exploration business and, in particular, the junior sector. This presentation provides details of the federal EITC and discusses the need for provincial/territorial participation.

Topic: Worldwide financing and exploration trends: A Canadian perspective

Speaker: Gerald Harper, Immediate Past President, PDAC; President, Gamah International, Toronto or **Tony Andrews**, Executive Director, PDAC, Toronto

Summary

Based on an annual PDAC survey of Canadian junior company spending patterns, combined with several other databases, a detailed picture of the worldwide financing and exploration trends of Canadian companies has been developed, covering the complete

business cycle of the 1990s. Detailed analysis reveals the nature of the recovery that took place during the early part of the decade and the combination of factors involved in the downturn which started in 1997. Potential future trends in financing and exploration are discussed, based on information current to the year 2000, and an analysis is given of cyclical and secular forces presently affecting the mineral industry.

Topic: The future of mining and exploration in Canada

Speaker: Bill Mercer, First Vice President, PDAC; Chief Geologist, Noranda Inc., Toronto

Summary

This paper examines Canada's dwindling ore reserves in relation to its metal production and also this country's dwindling share of world production. This is emphasized in light of the importance of mining to Canada's economic well being, especially its infrastructure. Technological breakthroughs, such as hydrometallurgy, have favoured countries other than Canada, due to the relative ease of their application to oxidized deposits. These unfavourable trends, coupled with the decline in the ability of juniors to raise financing and environmental and other restrictions, have been devastating to the industry. How are new reserves going to be found? Is the government willing to work with industry to develop new technologies to enhance Canada's ability to compete? Is the public supportive of the industry given its level of environmental responsibility?

Topic: National Instrument 43-101: Standards of disclosure for mineral projects

Speaker: Deborah McCombe, PDAC Director; Chief Mining Consultant, Ontario Securities Commission, Toronto

Summary

The Canadian Securities Administrators (CSA) have finalized National Instrument 43-101: Standards of Disclosure for Mineral Projects. This instrument, which became law across Canada on February 1, 2001, applies to all technical public disclosure on mineral projects and requires all technical disclosure to be based on the work of a qualified person. This paper discusses the key aspects of the instrument, including the CIM definitions of resources and reserves, the role and responsibility of the qualified person, and the form of technical reports.

OUR VOLUNTEERS

Wayne Lockhart: an eclectic life

Wayne Lockhart, who last month became an honorary director of the PDAC, has led an eclectic life.

He has hunted big game to feed Zambian miners, sat as a city councillor and taught the Inuit how to prospect. He has discovered and brought to production deposits of coal, silica, sand, gravel and nickel. On top of all this, he has been a PDAC director since 1975, an active member of the New Brunswick Prospectors and Developers Association, and an essential link for the PDAC with the Maritimes.

Born in Flin Flon, Man., Lockhart had early experience of prospecting when he accompanied his explorationist father who was staking claims around the Thompson area.

In 1954, the family moved back to their home province of New Brunswick and the following year Lockhart, a grade 11 student, staked his first claims, selling them to buy a car so he would no longer have to hitchhike to school.

After graduating from the University of New Brunswick with his Bachelor of Science degree in geology, Lockhart decided to travel and found himself in Zambia, working in diamond exploration with Anglo American Corporation for \$9 a day.

By law, he was required to provide the 30 men working for him with 4.4 kg of protein a day. With the nearest meat market a day's drive away, he bought a rifle and every week shot big game to put on the table.

After two years in Zambia and South Africa, Lockhart returned to Canada and worked for Phelps Dodge Corporation while teaching geology at UNB.

Being an employee, however, was not to his taste, so he and a former professor set up their own company doing mineral education and exploration. One of their projects, under the United Nations



Wayne Lockhart

Development Program, was to set up schools of applied geology in Saudi Arabia, Burma, and the Philippines.

"The UN program recruited the teachers to go to the host country," Lockhart explains. "There would be a parallel person from that country and over a three-year period you'd teach this person how to do your job."

In 1968, Lockhart set up his own company, Lockhart Exploration Services, and carried out mineral exploration and consulting for a variety of firms.

For example, at the New Brunswick government's request, he located coal to feed coal-fired generation plants.

"There's an operation in Minto that's operating a huge dragline, the same size as they have in the Alberta tar sands," he says. "I picked the area, drilled every hole and gave the government the project."

Deciding the future lay with carbon and silica, he found a silica deposit and developed the Lockhart Mine that today produces high-purity quartz products.

Quartz led him to sand and gravel, and he established an operation that supplies a million tons of sand and gravel annually to New York.

Most recently, Lockhart has staked a large block of claims in northern New Brunswick, an area that is strongly anomalous for nickel and cobalt. "I believe we have something that may be a new Thompson, Man.," he says.

Along the way, Lockhart served a term as a city councillor in Fredericton because, he says, it is important that legislative bodies reflect the total economic and social community.

"The people who normally serve politically have jobs and an income," he explains. "They don't know what it's like to be out of money and hard-pressed. Those of us with some time have a duty to do that kind of thing so we can give a proper perspective to those bodies."

Teaching remains a keen interest for Lockhart. When Nunavut was being formed, the future economic wellbeing of the new territory was a concern. The Qikiqtaaluk Corporation decided to hire three teachers, one of them Lockhart, to teach prospecting skills to the indigenous people.

"There are 28 hamlets in Nunavut and over a three-summer period we taught prospecting courses in every one of them," he says.

Lockhart's volunteer work as a PDAC director is a way for him to give something back to the industry, he says. He particularly values the PDAC for the camaraderie and learning it fosters.

"Where else would we learn the latest techniques, without our prospectors convention," he asks, "and where else would you meet the contacts and make the friendships that are longstanding over the years?"

Optimism ruled at convention

The mood was upbeat as the PDAC moved into the new millennium with its 69th Annual Convention, Trade Show and Investors Exchange.

More than 6,500 delegates attended, among them representatives from more than 70 countries. Every event was fully sponsored, more media registered than any time in the past five years and the brokerage houses were out in force, even sponsoring the opening night reception.

As PDAC president John Steele greeted delegates at the opening session, he painted a cautiously optimistic picture. The industry is at a turning point, he said, and with the plunge in the dot.coms, there is increasing awareness that the mining and minerals sector provides large potential for profits.

The super flow-through share program, introduced late last year and enhanced by some provincial and territorial harmonization initiatives, will also assist the sector in gaining new investment, he added.

The convention was opened by federal Minister of Natural Resources Ralph Goodale, who underlined the importance of minerals and metals in the Canadian economy.

"Our exports earn \$44 billion a year for Canada – 13 per cent of all exports," he



Intense discussions were a common sight at the convention.

said. "This sector directly employs 400,000 Canadians – in urban, rural, remote, northern and aboriginal communities from coast to coast to coast. It is a pillar of our economy and our way of life."

The federal government, he said, is laying the right foundation for the sector in three ways: by providing sound economic fundamentals, by encouraging innovation and knowledge and by promoting sustainable development.

The keynote session introduced mining perspectives from around the world, with particular emphasis on North America, the developing Americas, Australia and the Far East and Africa. After these opening presentations, the convention program split into three sessions that ran continuously during the three days.

As always, the mix was eclectic and delegates were offered a tantalizing menu of topics: social challenges in the 21st century, Boliden's use of geophysics in exploration, the Piteiras emerald deposit of Brazil, essentials of a bankable feasibility study.

Running simultaneously, the Exchange Forum presentations offered a platform to mining companies such as SouthernEra Resources, Diamond Fields International and Namibian Minerals Corp. Wrapping up the presentations were John Kaiser of *Bottom-Fishing Report*, Bob Bishop of *Gold Mining Stock Report* and Rick Rule of Global Resource Investments Ltd.

Outside the forum, 170 companies showcased their prospects to a stream of

visitors walking through the Exchange.

The Trade Show was bustling with activity from first thing in the morning until its late afternoon closing as delegates visited the more than 400 booths and pavilions.

Booth holders ranged from publications and software suppliers to universities and field equipment suppliers, and even included retailers selling gold and gemstone jewellery, miners' lamps and Russian carvings. Countries such as South Africa and Australia featured several companies and displays within a pavilion, as did Saskatchewan, British Columbia, Manitoba, Nunavut, Quebec, the Northwest Territories, Ontario and the Maritime provinces.

There were the customary Prospectors Tent and Atlantic Rock Room, as well as the Core Shack on a lower level of the convention centre. At one side of the Trade Show, the International Mineral Resource Centre displayed and sold geological and mining publications produced by federal, provincial, territorial and international governments and associations.

There were other activities as well: short courses on structural controls on ore genesis, National Instrument 43-101 and exploration drilling; a student careers forum; the Canadian Exploration Geophysical Society Annual Breakfast; and full program of guest activities.

Topping off the week were the evening social activities: the PDAC Awards Banquet, Mining Night and the Gala Dinner.

Publications available

Members attending the PDAC Convention in March will have received a copy of the annual *Exploration and Development Highlights*, a 38-page magazine summarizing industry developments in each of Canada's provinces and territories over the past year. If you did not receive a copy and would like one, please email or fax us your request (info@pdac.ca; fax 416 362 0101).

Some of the speakers at PDAC Convention 2001 have kindly provided copies of their presentations, and we have posted these on our website. Go to www.pdac.ca and click on 2001 Convention Papers. Please be patient. Some of the files are very large and will take a few minutes to download.

Industry told to build public trust

The mining industry should forget about improving its image with the general public and instead build public trust, according to Tony Andrews, executive director of the PDAC.

In a technical session dealing with socio-economic challenges, Andrews said that for decades the industry has mistakenly believed that the general public has a negative image of mining.

On the contrary, he said, surveys conducted through the 1980s and 1990s show that public perception of the industry is significantly weighted toward the positive.

There are groups in society, however, that view mining negatively and it is with these special publics that industry needs to work, Andrews added. Building trust should first focus on special publics – those who are key industry decision-makers and key stakeholders. In particular, there is a

need to create public trust with them that is based on actions, not words.

Falling within the category of special publics are government, local communities, children and civil society.

Andrews told the audience that surveys of government officials in the early '90s at federal, provincial and territorial levels gave the industry low marks on credibility. In response, industry strategy first focused on building trust and credibility, increasing awareness of the industry and building relationships and partnerships with government.

As well, he added, industry must continuously inform government, encourage government education programs directed toward the public and always work to improve the industry's standards of operation.

Another special public, local communities, has become empowered through the

growing importance of social imperatives, Andrews said. Communities experience mining directly and mining companies have to obtain from them a social licence to operate.

"It's an opportunity to gain public trust at a grassroots level," he said.

To gain this trust, Andrews suggested the industry show respect, openness and transparency and adopt community relations programs. It must also pay attention to local government and to its standards of operation.

If the industry adopts these strategies, he concluded, it will build public trust among these important groups and experience a corresponding improvement in its public image.

The bottom line, he added, is that progress will depend on what industry does, not just what it says.

Diamonds took centre stage

Diamonds are Canada's new best friend, said the convention program, and they were centre stage on opening day. The entire Monday afternoon technical session was devoted to the gems, with four speakers examining different facets of diamond exploration and mining.

Larry Heaman of the University of Alberta looked at the timing of kimberlite emplacement and implications for diamond exploration while Wynand Kleingold of De Beers Consolidated Mines discussed micro diamonds from sampling to evaluation.

Malcolm Thurston of MRDI USA alerted investors to what they should expect to see from kimberlite prospect through to feasibility.

Wrapping up the session, Robert Gannicott of Aber Diamond Corporation delivered a presentation entitled *Canadian diamonds, baby boomers and the American economy: a unique resource opportunity*.

Gary Ralfe, managing director of De Beers, South Africa, was keynote speaker at the Mineral Outlook Luncheon, and told his audience about De Beers' recent exploration and marketing initiatives.

In Canada, De Beers has discovered, either in its own right or with joint venture partners, more than 220 kimberlites. Although the company has not yet brought a diamond mine into production, Ralfe said, several projects have the potential to become mines.

Ralfe also spoke about the Snap Lake project in the Northwest Territories which De Beers expects will be in full production by 2004.

"This project will represent a first in several ways – our first

mine outside Africa, the first underground diamond mine in Canada, and the first time a kimberlite dyke will be mined on anything like this scale," he said.

"It is a measure of the confidence we have both in this project and the future of the diamond industry in Canada that before this project comes on stream, we will have invested over \$1 billion in Canada," he added.

Diamonds also added a sparkle to the final moments of the convention.

De Beers offered as a major draw prize an hourglass filled with 2,000 fine diamonds in suspension. The winner of the \$15,000 prize, announced on the last morning, was Gala Drolet of Drolet Investment Group.



Investors Exchange was crowded throughout the three-day convention.

Great Canadian Mine Show hits the road

After five years of planning and fundraising, the Great Canadian Mine Show was unveiled at the PDAC Convention last month, then began crisscrossing the country.

Housed in an 800-square-foot hydraulically expanding trailer, the Mine Show uses interactive digital technology to demonstrate the exciting sights, sounds and sensations of geology and mining.

After donning hard hats and travelling underground in a simulated mine cage, visitors will explore six arcade-like modules.

They will command a helicopter simulator to search for diamonds, operate an underground drill simulator to drill precise holes in a rock face, follow miners, via video, through a shift at a uranium mine and follow the transformation of Sudbury, Ont., from a barren wasteland to a regenerated landscape.

Visitors will be able to play the role of a CEO and interact with animated advisors as they make decisions about building a mine. They will also have an “ore’s-eye” view of the inside of processing equipment in a digitized zinc refinery and smelter.

Geared to all ages, the Mine Show will be of particular interest to students in grades six through 12 and their teachers, and will complement the science curriculum in many parts of the country.

The project was developed by the Elliot Lake Centre, a non-profit organization in Elliot Lake, Ont., and is supported by mining and exploration companies and

other corporate partners.

“We see this as a dynamic way to build awareness of the vital role of Canada’s mineral industry in the continuing growth of this country,” says Patricia Dillon, chair of the PDAC Education Committee and Mining Matters education program.

More than 100,000 people are expected to visit the Mine Show this year. It began its tour

in the Yukon and Northwest Territories and after three weeks there, is expected to arrive in Labrador in late April and make its way west.

The Mine Show, which will tour year-round, will stop at science centres, universities, museums, provincial legislatures, community fairs and festivals. It will also visit aboriginal communities where mining is a specific local interest.

CSA appoints members of mining advisory group

The Canadian Securities Administrators (CSA) has announced the names of nine industry representatives who will sit on its newly established mining technical advisory committee.

They are: George Cavey, president, OreQuest Consultants Ltd., Vancouver, B.C.; Marie-Josée Girard, geologist, Sirios Resources, Montreal, Que.; Ken Grace, vice president, Micon International, Toronto, Ont.; Keith McCandlish, manager, mineral services, Associated Mining Consultants, Ltd., Calgary, Alta.; Chester Moore, manager, ore reserves and project evaluation, Falconbridge Ltd., Toronto, Ont.; John Morganti, vice president, evaluations, Teck Corporation, Vancouver, B.C.; Philip Olson, vice president, exploration, Claude Resources Inc., Saskatoon, Sask.; John Postle, consulting mining engineer, Roscoe Postle Associates, Toronto, Ont.; and Keith Shannon, president, Corriente Resources Inc., Surrey, B.C.

Co-chairs are Deborah McCombe, chief mining consultant of the Ontario Securities Commission, and Adrienne Marskell, senior legal counsel of the British Columbia Securities Commission.

The committee, which began meeting in mid-March, will advise the CSA on issues relating to the application of National Instrument 43-101.