



**Prospectors & Developers Association of Canada**  
**l'Association canadienne des prospecteurs et entrepreneurs**

SUBMISSION

to

House of Commons Standing Committee on Aboriginal Affairs & Northern Development

by

The Prospectors and Developers Association of Canada (PDAC)

Regarding

Bill C-30, An Act to establish the Specific Claims Tribunal and to make consequential amendments to other Acts

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## **Background on the PDAC**

This submission is presented by the Prospectors and Developers Association of Canada (PDAC) on behalf of Canada's mineral exploration industry.

The PDAC is a national organization with 7,000 members representing the range of companies and individuals in mineral exploration and development. Our corporate members include senior producing companies and junior companies (small and medium enterprises [SMEs]). Our individual members include prospectors, geoscientists, geological consultants, company executives, and junior exploration and senior mining companies. Our members also include people in the financial, legal, and academic communities, students, and those who supply services and equipment to the mineral industry.

The PDAC exists to protect and promote the interests of the Canadian mineral exploration sector and to ensure a robust mining industry in Canada. The association encourages the highest standards of technical, environmental, safety and social practices in Canada and internationally.

The PDAC actively promotes greater participation by Aboriginal Peoples in the mineral industry as well as greater understanding and co-operation between First Nations communities and mineral exploration and mining companies.

## **Bill C-30, An Act to establish the Specific Claims Tribunal and to make consequential amendments to other Acts**

The PDAC is pleased to lend its support to the passage of Bill C-30 and this new approach to resolving specific land claims.

The PDAC applauds the federal government and the Assembly of First Nations for taking the initiative to establish an independent commission and to allocate additional funds to settle these claims.

Successful conclusion of outstanding specific land claims will bring certainty to First Nations communities and help to create the conditions that are needed for these communities to foster long term, sustainable economic development. Progress on the settlement of land claims is a critical step towards the self-sufficiency of First Nations communities.

## **Aboriginal Peoples and Canada's mineral industry**

The mineral sector, exploration and mining, constitutes the largest industrial employer of Aboriginal Peoples in Canada.

1200 Aboriginal communities are located within 200km of producing mines and 2100 exploration properties across Canada. The mineral exploration and mining sector offers the best potential for the creation of wealth and prosperity to help these communities become economically sustainable in the long-term. The sector offers skilled employment and good pay – the average income of Aboriginal people in mining is twice the national Aboriginal average. Exploration and mining companies are increasingly turning towards Aboriginal Canadians and Aboriginal-run businesses for the people, skills and services that are needed to sustain our field research and economic development.

The PDAC works on behalf of its members to improve awareness of Aboriginal affairs and to increase Aboriginal participation in the mineral industry. In 2004, the PDAC formed an Aboriginal Affairs Committee to help the organization fulfill these objectives. Some of our association's recent initiatives include the following:

- *Mining Information Kit for Aboriginal Communities* – launched in 2006; completed in partnership with the Canadian Aboriginal Minerals Association, the Mining Association of Canada, Natural Resources Canada and Indian and Northern Affairs Canada
- *e3 environmental excellence in exploration* – an online database of guidelines that assist companies to follow good practices in exploration, community engagement and environmental management
- *Aboriginal participation in the Mineral Industry* - Technical sessions during our annual convention that have attracted hundreds of delegates over the past three years
- *Skookum Jim Award* – inaugurated in 2008 and presented to recognize and honour achievement by Aboriginal individuals and businesses working in the mineral industry
- *Memorandum of Understanding with the Assembly of First Nations* – signed during the PDAC Convention, March 4, 2008. The complete text is included as Appendix A.
- *Position in support of government resource revenue sharing* - December 2007. The complete text is included as Appendix B.

### **Resolution of outstanding land claims**

With respect to the matters contained within Bill C-30, the PDAC has publicly expressed its support for the Government of Canada's plans to move towards the settlement of Aboriginal land claims. Following are comments submitted by the PDAC to the Standing Committee on Finance during its 2007 pre-budget consultations:

***The PDAC supports the federal government in its efforts to expedite the resolution of outstanding land claims and we encourage the federal government to develop resource revenue sharing agreements with Aboriginal peoples in order to promote sustainable communities.***

The mineral exploration industry relies on access to land in order to conduct its work and increase the likelihood of locating mineral deposits and developing new mines. Increasingly, through their work across Canada, mineral exploration and mining companies are providing Aboriginal peoples with opportunities for skilled jobs and creating the conditions necessary for developing sustainable communities.

In order to maximize these opportunities, Aboriginal peoples need access to training and information related to the industry, and they need to see a long-term benefit to working with mineral companies. A number of recent initiatives involving industry, Aboriginal organizations and the federal government are contributing to greater participation and awareness; however, more needs to be done.

### **Land claims**

The PDAC supports the federal government in its efforts to expedite the resolution of outstanding land claims.

## **Consultation**

The federal government, Aboriginal communities and the mineral industry should work together to develop a new consultation process that is efficient and effective and to promote greater participation by Aboriginal peoples in grassroots exploration generally, including acquisition of mineral rights and formation of partnerships with companies conducting exploration.

## **Resource revenue sharing**

The PDAC recently commissioned research into resource revenue sharing and it is our recommendation that such agreements with Aboriginal communities be developed by the federal government, in cooperation with provincial and territorial governments, in order to promote self-sustaining communities.

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## **Summary**

The PDAC supports the passage of Bill C-30 and this new approach to resolving specific land claims. Successful conclusion of outstanding specific land claims will bring certainty to First Nations communities and help to create the conditions that are needed for these communities to foster longterm, sustainable economic development. Progress on the settlement of land claims is a critical step towards the self-sufficiency of First Nations communities.

## Appendix A

### Background on the Memorandum of Understanding between the PDAC and AFN

In 2007, the National Chief of the Assembly of First Nations announced the Corporate Challenge, an initiative designed to challenge companies to increase business activities with First Nations and encourage partnerships between companies and communities. Both the PDAC and the AFN agree that First Nations and the mineral industry are natural partners, and in much of northern Canada mineral exploration and development is one of the few business activities capable of generating the wealth necessary for remote Aboriginal communities to achieve economic self-sufficiency.

At the March annual conference hosted by PDAC in Toronto earlier this year, over 200 Aboriginal delegates from across Canada attended. Delegates participated in an awards banquet recognizing achievement by Aboriginal people or Aboriginal owned businesses in the mineral industry. A technical session documented several examples of successful community engagement initiatives by both senior and junior mining companies, culminating in a press conference where the MOU below was signed.

In remarks following the signing of the MOU, National Chief Phil Fontaine stated that in northern Canada:

*“First Nations and mineral exploration companies are natural partners”.*

#### **Memorandum of Understanding between the PDAC and the AFN signed by the AFN National Chief and the PDAC President Toronto, March 4, 2008**

#### **MEMORANDUM OF UNDERSTANDING**

Between

**The Prospectors and Developers Association of Canada**, a not-for-profit association formed under the laws of Canada, with headquarters at 34 King Street East, Suite 900, Toronto, Canada M5C 2X8

(hereinafter referred to as “**PDAC**”)

and

**THE NATIONAL INDIAN BROTHERHOOD**, incorporated under the laws of Canada and serving as the Secretariat of the **Assembly of First Nations** with its head office at the Territory of Akwesasne, R.R. #3, Cornwall Island, Ontario

(hereinafter referred to as “**AFN**”)

## **PREAMBLE**

1. WHEREAS the AFN is a national First Nation organization that represents First Nations and all their citizens in Canada and is represented by a duly elected National Chief;
2. AND WHEREAS the PDAC is a national association that exists to protect and promote the interests of the Canadian mineral exploration sector and to ensure a robust mining industry in Canada, and encourages the highest standards of technical, environmental, safety and social practices in Canada and internationally;
3. AND WHEREAS the PDAC actively promotes greater participation by Aboriginal Peoples in the mineral industry as well as greater understanding and co-operation between First Nations communities and mineral exploration and mining companies;
4. AND WHEREAS the AFN and the National Chief have launched a Corporate Challenge to engage Corporate Canada to establish, enhance and increase their business activities with First Nations in order to realize the advantages of doing business with First Nations. Specifically, corporate Canada is challenged to increase partnerships with First Nations communities and businesses; investigate and increase investment potential; establish and foster procurement practices that benefit First Nations; and develop and enhance human resources development and labour force development activities with First Nations communities and people;
5. AND WHEREAS the First Nations leadership, through the AFN, has approved resolutions to develop new strategies to enhance and support local and regional economic priorities;
6. AND WHEREAS partnerships, investments, education and employment capacity are critical to First Nations economic growth;
7. AND WHEREAS the PDAC and the AFN recognize that access to lands for mineral exploration is critical to sustaining a healthy mining industry in Canada, they will commit to work together to bring greater certainty to land access, permitting and consultation issues affecting mineral exploration in Canada;
8. AND WHEREAS the AFN and the PDAC share a common interest in ensuring private sector understanding of, and support for, the socio-economic development aspirations of First Nations;
9. AND WHEREAS the PDAC and the AFN agree on the importance of developing a sustainable approach to enhance First Nations economic development and infrastructure, particularly in the areas of access to employment opportunities and the development of First Nation-run businesses that participate in the mineral sector, and the need to create opportunities through the joint efforts of the PDAC and the AFN;
10. AND WHEREAS the AFN and the PDAC are committed to advocating and facilitating substantive economic participation by First Nations in Canada's national and global economy whereby the PDAC will facilitate information, awareness and skills development of people of the First Nations to capitalize on opportunities regarding employment and third party partnerships as a means of promoting local economic development.

## **PRINCIPLE**

The Assembly of First Nations affirms that the recognition of strong First Nations governments is important for sustainable economic and social development, and for improving the quality of life amongst First Nations peoples. Evidence from published academic studies on economics and Indigenous Nations in North America consistently point to good governance as a key component of developing strong, healthy and prosperous communities. A critical element of strong First Nations governments is the availability and access to capacity and resources that will enable First Nations to become self sustaining. Partnerships between First Nations and other governments and the private sector will increase such social and economic opportunities for First Nations.

The PDAC recognizes the constitutionally-protected Aboriginal and Treaty rights of First Nations and encourages its members to engage with First Nations communities, respect these rights and minimize the potential for adverse impacts that may result from activities on the land.

### ***The signatories of this Memorandum of Understanding acknowledge and agree that:***

1. The PDAC will encourage its members to consider the AFN's Challenge to Corporate Canada to work with interested First Nations to help make a difference in local and regional economic development.
2. The PDAC will participate in meetings of the *National Chief's Corporate Table*.
3. The PDAC and the AFN will prepare a joint two year work plan to encourage, promote and facilitate increased engagement, partnerships, investments, education and employment opportunities for First Nations, First Nations companies and individuals who wish to be involved in the mineral industry. The results of this work will be reported on, at a minimum, once per year to the AFN's and to the PDAC's respective authorities. Reporting will include:
  - a. establishment of opportunities for regular dialogue between the mineral sector and First Nation communities with the goal of enhancing mutual understanding and respect;
  - b. collaboration on human resource initiatives that promote greater participation of First Nations people in Canada's exploration and mining industry; and,
  - c. cooperation on public policy issues of mutual interest (for example, social and economic development; the resolution of land claims; government resource revenue sharing agreements; geoscience mapping; environmental policy and land use planning).
4. The AFN will invite the PDAC to make a presentation to its Chiefs Committee on Economic Development once per year and to its Chiefs assemblies at least once per year.
5. The AFN will involve the PDAC in a technical planning event of the First Nations Economic Blue Print.
6. This Memorandum of Understanding is not a legally binding agreement and, for greater certainty, does not create legally enforceable obligations for either the AFN or the PDAC, nor are the parties hereto legally committed to concluding any further contract or agreement.
7. Discussions pursuant to this Memorandum of Understanding are intended to enhance and support economic development processes and opportunities and are without prejudice to, and not

intended to replace or supersede any existing initiative between any First Nation and other key stakeholders.

8. The actions contemplated in this Memorandum of Understanding will begin upon signing.

9. Either the AFN or the PDAC may terminate this Memorandum of Understanding upon delivery of written notice to this effect.

10. This Memorandum of Understanding will be in effect for (2) two years from the signing date, and after that two year period will be automatically renewed annually unless a written notice of termination is delivered by either party to the other.

Signed this 4th day of March, 2008 in the City of Toronto, in the province of Ontario.

National Chief Phil Fontaine

President Patricia Dillon

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On behalf of the Assembly  
First Nations

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On behalf of the Prospectors and  
Developers Association of Canada

Alberta Regional Chief  
Willie Littlechild

Mr. Don Bubar  
PDAC Board Member and  
Co-chair of the PDAC Aboriginal  
Affairs committee

Witness \_\_\_\_\_

Witness \_\_\_\_\_

## **Appendix B**

### **Prospectors and Developers Association of Canada (PDAC) Government Resource Revenue Sharing with Aboriginal Peoples**

#### **Background:**

Canadian exploration and mining companies conduct their work in the vicinity of aboriginal communities. Statistics Canada has revealed that there are 1,200 Aboriginal communities located within 200 km of producing mines and 2,100 exploration properties across Canada.

Mineral exploration and mining companies need skilled workers to conduct their business. Remote aboriginal communities represent an untapped potential source of human resources. In particular, the industry can provide skills development and advanced education opportunities for aboriginal youth.

#### **Benefits:**

PDAC believes that greater participation by aboriginal peoples in the mineral industry in Canada will promote greater understanding and co-operation between aboriginal communities and mineral exploration and mining companies.

The PDAC believes that if governments shared a portion of revenues, derived from natural resource extraction, with aboriginal peoples, these revenues would;

- provide economic benefits to aboriginal communities;
- form a basis for aboriginal communities to build towards economic self-sufficiency,
- facilitate direct participation in the mineral industry by aboriginal peoples, and
- encourage exploration on aboriginal traditional lands.

PDAC recognizes that there are various forms of partnerships, memoranda of understanding, impact and benefit agreements, and resource revenue sharing arrangements involving aboriginal peoples, the mineral industry and governments in Canada. These agreements contribute towards positive community relations, a favourable investment climate and development of sustainable communities. Government resource revenue sharing can advance these objectives and improve the competitiveness of Canada's mineral industry.

#### **Approach:**

PDAC will advocate for resource revenue sharing by government with aboriginal peoples related to mineral development projects on aboriginal traditional lands across Canada.

PDAC will work with government, aboriginal and industry organizations on research initiatives to analyze existing resource revenue sharing formulas and to develop models that can be implemented in jurisdictions where resource revenue arrangements are not already in place.