



Ce bulletin est également disponible en version française. Voir [www.pdac.ca](http://www.pdac.ca) pour une copie.

# In Brief

December 2008, Number 55



Skookum Jim Award winner the Athabasca Basin Development Limited Partnership shared the honour with its partners and communities. From left, Richard Gladue, AREVA Resources; Marty Robillard, Black Lake First Nation; and Rosalie Tsannie Burseth, Hatchet Lake First Nation, pan for gold. See story, page 2.

## Associations discuss collaboration

CANADIAN MINERAL INDUSTRY associations are meeting in the New Year to discuss how they might work together more closely and more cooperatively.

The Canadian Mineral Industry Federation (CMIF), which comprises the mineral industry associations across Canada, is holding a special strategic planning session to discuss common industry issues such as advocacy and human resources.

The need for such a meeting results from a significant change in the annual Canadian Mines Ministers Conference, says Tony Andrews, executive director of the PDAC.

The conference brings together the federal, provincial and territorial mines ministers for discussion of industry issues. In the past, industry associations such as the PDAC had a key role in the conference, including the presentation of industry issues. This year, the associations were asked simply to submit briefs.

“The role of associations in the conference has been diminished quite considerably,” Andrews explains. “These changes have been a driver for us to review our approach to advocacy in Canada and work together with CMIF members to be more effective.”

Since the associations have a lessened role at the mines ministers conference, they will need to increase their activities in ways that require working more closely together, especially when trans-provincial issues are involved.

Human resources is another area where associations should work cooperatively, says Andrews. The industry needs to attract more professional and skilled trades people and the many initiatives now underway could be coordinated through CMIF to ensure that there is no duplication of efforts. ▲

## B.C. will share resource revenues

BRITISH COLUMBIA has become the first province in Canada to announce that it will share the revenue it derives from mining with aboriginal groups.

In a press release issued in late October, the B.C. government says it is authorizing its provincial negotiators to include revenue-sharing with First Nations on new mining projects.

The process for developing revenue sharing will be decided on a project-by-project basis, the government says. Revenue sharing on new mining projects will focus on community development in order to help First Nations reach their economic and social goals.

The government says it will use the revenue-sharing approach where a proposed

mining project will channel direct resource revenue to the province. The revenue will continue to be shared during the life of the mining project.

In making the announcement, Minister of State for Mining Gordon Hogg said, “The province looks forward to working cooperatively with industry and First Nations to

*See Sharing, page 3*

### Inside this issue

**How are current economic conditions affecting juniors? ..... p4**

**The Investors Exchange lies at the heart of the PDAC International Convention ..... p7**

**Canadian companies in Ecuador turned to the PDAC as problems loomed ..... p8**

**PDAC representatives take proposals to Ottawa decision-makers ..... p11**



# PDAC submits views to securities panel

THE PDAC HAS USED the results of a member survey on securities regulation to respond to a report published in August by the Expert Panel on Securities Regulation in Canada. The survey shows that PDAC members consider securities reform to be a priority issue at this time, and 88 per cent of them support a single securities regulator.

In its response to the expert panel, the PDAC says that the current passport system is a good interim measure but not a final solution to the problems surrounding securities regulation in Canada.

One of the problems for junior companies has been raising money in different jurisdictions across Canada. Because legal requirements under securities law vary from province to province, ensuring compliance is both costly and time-consuming. As a result, juniors usually raise money in only one or two provinces, reducing their pool of potential investment money. These problems can be resolved by consistent interpretation, application and administration of uniform securities laws among jurisdictions, the PDAC says. ▲

## PDAC appoints new program director



Bernarda Elizalde

BERNARDA ELIZALDE has been appointed the PDAC's new program director, sustainable development. She succeeds Philip Bousquet, who is the association's new program director, regulatory affairs.

Educated in Ecuador and The Netherlands, Elizalde has been an international consultant for most of her career. Most recently, she worked as an associate consultant with Avanzar Consulting Canada and with On Common Ground Consultants, working with the IFC and the World Bank Group and with clients such as Goldcorp, Xstrata, and Newmont.

Elizalde has experience designing sustainable development initiatives; designing and reviewing environmental impact assessments for the mining industry; and designing, implementing, and evaluating public consultations and base-line studies.

Among her assignments, Elizalde has integrated stakeholder consultation processes into social risk systems; collaborated in workshops developing community relations and sustainable development strategic plans; and assessed risks and opportunities for mining companies with operations adjacent to communities. ▲

## Andrews, Mercer assume leadership roles

TWO PDAC LEADERS have taken important positions on major industry bodies.

Executive director Tony Andrews has been nominated to the World Economic Forum (WEF), Global Agenda Council on the Future of Metals and Mining. He attended a meeting of the council in Dubai in November.

The WEF is an integrated network of global agenda councils that addresses crucial challenges of humankind and works to ensure linkages among global issues are fully explored.

The metals and mining council is a newly formed group of 15 to 20 members. They will

focus on one of the most pressing risks facing the industry: the dynamics between the global commercial aspirations of the industry and the political and social interests of national and local players.

Bill Mercer, PDAC president from 2002 to 2004, is president of the Canadian Federation of Earth Sciences. The organization facilitates coordination of Canadian earth science organizations in order to improve their efficiency and effectiveness in addressing the natural resource, environmental and safety needs of Canadians. ▲

## Award winners celebrate

THIS YEAR'S RECIPIENTS of the PDAC Skookum Jim Award celebrated their achievement by throwing a party for all those involved in their business who were not able to attend the award ceremonies, held in Toronto last March.

The Athabasca Basin Development Limited Partnership (ABDLP), based at Wollaston Lake, Sask., was the first winner of the Skookum Jim Award, established this year to recognize aboriginal excellence and achievement in support of the Canadian mineral industry. A mining and exploration services company, ABDLP is owned by seven Athabasca communities: three First Nations (Black Lake, Fond du Lac and Hatchet Lake) and the municipalities of Camsell Portage, Uranium City, Stony Rapids and Wollaston Lake.

This September, the ABDLP invited their industry partners and the Athabasca communities to a Klondike-style party with a charitable twist.

Attendees received recognition plaques and also panned for gold.

The ABDLP donated the quantity of gold found, worth \$2,000, equally to the Skookum Jim Friendship Centre in Whitehorse and to Athabasca Recreation, a department of the Prince Albert Grand Council. ▲

*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.

Prospectors and Developers Association of Canada  
135 King Street East  
Toronto, Ontario, Canada M5C 1G6

Telephone 416 362 1969; Fax 416 362 0101

Email [info@pdac.ca](mailto:info@pdac.ca)

[www.pdac.ca](http://www.pdac.ca)



Are you missing the PDAC's News and Activities e-mail newsletter?  
It can be found at [www.pdac.ca](http://www.pdac.ca), under What's New.

## Baird optimistic about India

AT THE MINING-EXPLORATION Summit on Policy Initiatives, held in Agra, India in October, PDAC president Jon Baird delivered a keynote address, describing what makes a country an attractive destination for exploration investment dollars.

Speaking to an audience that included top government officials and industry representatives, Baird said India needs to make legislative and administrative improvements to its rules, regulations and regulatory practices to become such a destination. After the conference, he said he sees positive signs that changes will be made.

India has a rich geology and is experiencing a strong domestic demand for mined commodities, yet it is underperforming in exploration and mine development.

According to the Fraser Institute, mining companies rank India as one of the most difficult places in which to work — a fact that discourages exploration.

Baird explains that the management of mineral resources is the responsibility of both the central and state governments, and there is inevitable overlap and duplica-

tion. The Geological Survey of India (GSI) has right of approval of exploration and development permits, yet junior companies have found it hard to get data from the GSI and charges are exorbitant.

There is movement to change the status quo, Baird says. The Indian government has a new national mining policy, but it has not yet been signed into law. “If implemented,” says Baird, “it would create a favourable environment in which junior exploration companies would be ready to participate.” However, the 1957 Mines and Minerals Act must be amended and the agreement of the Indian states must be obtained.

The Federation of Indian Mineral Industries (FIMI), India’s trade association for the mining industry, is advocating for a modernized exploration tenement and permitting system. “For this, FIMI should be commended and should receive ongoing support from the PDAC,” Baird says.

He also hopes that the government of India and the state governments, now that they are aware of the current problems, will work together to develop an improved mineral exploration and mining regime. ▲

## Hall of Fame welcomes four new members

THE CANADIAN MINING HALL OF FAME will welcome four new members in 2009. The induction ceremony will take place on Jan. 15, during the Hall of Fame’s 21st annual dinner at the Fairmont Royal York Hotel in Toronto.

The new inductees are:

- **Donald H. (“Digger”) Gorman.** A teacher of mineralogy at the University of Toronto for 36 years, Gorman has been an advocate for his science and the mineral industry in his teaching and presentations to amateur mineral clubs, schools and professional groups across Ontario and the northeastern United States. He has been a consultant to industry and has mentored prospective mineralogists and geologists for 50 years.
- **Bernard M. Michel.** This former chair, CEO and president of Cameco Corporation led the development of Cameco into the world’s leading uranium producer, bringing into production several world-class mines under difficult technical and political circumstances. His accomplishments include the advancement of employment and business capacity among northern Saskatchewan’s aboriginal and Métis communities.
- **Grenville Thomas.** A mining engineer, prospector and entrepreneur, Thomas is the founder of Aber Resources. His work in the Northwest Territories during the past four decades resulted in the discoveries of the Diavik diamond deposits, as well as the Thor Lake rare earth and Sunrise Lake zinc-lead-silver-gold deposits. The deposits of the Diavik diamond mine are among the richest, in terms of dollar value per tonne, in the world.
- **Roman Shklanka.** A geologist and mining executive, Shklanka has been involved in the identification and exploration of several deposits around the world that were subsequently developed into successful mines. His gold mining successes include the Porgera and Misima deposits in Papua New Guinea, Kidston in Australia, Omai in Guyana and Bulyanhulu in Tanzania. Production from the Onça Puma nickel deposit in Brazil is scheduled to begin in January 2009. ▲

## Sharing is part of new relationship

*continued from page 1*

develop profitably and environmentally sensitive projects for the benefit of all British Columbians.”

In announcing the move, the government is responding to requests from provincial aboriginal leaders. It also has the support of the mining industry.

The PDAC Board of Directors endorsed the principle of revenue sharing in 2007 and since then, the organization has been actively advocating that all governments adopt it.

Don Bubar and Glenn Nolan, co-chairs of the aboriginal affairs committee, welcomed the government’s announcement.

“The PDAC has been calling for resource revenue sharing with First Nations for some time. We are happy to see this development in British Columbia and hope that other jurisdictions in Canada will follow the province’s lead,” Bubar said.

He added that the industry recognizes the importance of communities sharing in the benefits of mining. “Resource revenue sharing ensures that more wealth stays in the regions where it originated.”

The British Columbia announcement is part of the province’s *New Relationship with First Nations*, initiated last year, which is based on recognition, respect and reconciliation of aboriginal rights and title.

During the past year, the government has negotiated land claims and final agreements with several bands and First Nations across the province.

As part of the *New Relationship*, the province is working in partnership with First Nations to improve local economies and increase aboriginal participation in land-use planning, resource benefit sharing and economic opportunities.

Initiatives taken during 2007 and 2008 include a provision of \$2.8 million to help train people from First Nations and rural communities for employment in the mining sector. ▲

# Financing shuts down for most juniors

PREPARE FOR AN EXTENDED DOWNTURN but don't be surprised if the eventual outcome is not that bad. That was the advice several industry insiders had for junior exploration companies at the end of October.

The extraordinary market collapse carried on through September and October and forced many institutional investors into a selling frenzy. That, in turn, frightened retail investors and sent everyone running away from risk of all kinds in a search for safety.

Even gold, usually a safe haven in times of global uncertainty, crashed down along with virtually every stock market in the world, interest rates and commodity prices.

Investor confidence in the financial markets and the economy has suffered a severe hit.

"This is completely different," says Ed Thompson, who has been a director, president or chair of more than 40 companies, as well as a past president of the PDAC. "I've been in this business for 50 years and I've never seen anything like this. Don't believe anybody who tells you they know what's going to happen. The amount of money involved is huge. And no one trusts the banks or anything else anymore. It's unprecedented."

At a time when even the security of money market mutual funds, which are on the opposite end of the risk scale, is in question, the juniors know most of their traditional financing sources have left the market. Flow-through share financing remains.

"For the purposes of long-term planning, we have to prepare for an extended period during which it will be extremely difficult to access capital," says Ron Gagel, senior vice president and chief financial officer of FNX Mining. "I'd say that might be, say, through 2009."

In mid-October, FNX suspended operations in one of five areas of development at its Levack mine near Sudbury, halting about one-third of its commercial production, Gagel said.

However, according to research from Metals Economics Group, the financings junior companies have raised have exceeded exploration expenditures for five years leading up to 2008.

In the first half of 2008, Canadian mining companies, including juniors, raised \$9.4 billion, about \$0.5 billion more than was raised in the first half of 2007, according to the Canadian Financing Bulletin.

While some juniors will have enough capital in reserve to withstand the downturn, Thompson expects others won't.

"Otherwise the only thing to do is just cut everything to the bone," he says. "Close the office, operate out of the basement, cut back on salary, maybe take shares instead. Cut out all non-essential expenditures. Quite a few of the people who've come into the business in the last decade probably haven't seen this kind of thing before."

Suppliers are already feeling the impact. "The effect on drilling is immediate," Thompson says. "The drilling companies are all being cut back right now. And the assay offices will finally get caught back up."

The bare essentials of keeping a company and its property in good standing will cost about \$50,000 a year, he estimates.

On the other hand, for juniors with cash and for the majors, the downturn is presenting opportunities.

"The market will respond better to larger juniors with more than one property and manager and the majors will be licking their lips," says Wendell Zerb, a mining analyst with Canaccord Adams.

Zerb and others published a report on the juniors on Oct. 27, which suggests the possibility of a shorter consolidation period and quicker recovery than in previous cycles.

"Corrections and recoveries in the last five years in most equity markets have been relatively short, but severely volatile," the report says. "We believe there is some relevance that the combination of electronic trading, superior communication, and governments' responsive fiscal and monetary actions translate to market adjustments today that historically were constrained by less efficient outcomes relating to the above factors."

He expects that China and India's growth will resume and help bring the market back.

"We'll survive this," he predicts. "The industry will come back, we always do. The world needs metals more than ever."

The next wave will be regulation.

"It's ironic that the junior mining industry is so heavily regulated now," says Thompson. "And yet just about anybody in the business could call themselves a hedge fund and start to operate without any regulation of any kind." ▲

## New Hall of Fame gallery opens

THE CANADIAN MINING HALL OF FAME GALLERY opens late this month at Toronto's Royal Ontario Museum (ROM).

The gallery is part of a major \$10-million gift to the ROM made by Teck Cominco Limited in 2007. The donation has established the Teck Cominco Suite of Earth Sciences Galleries, which houses the Vale Inco Limited Gallery of Minerals and the Gallery of Gems and Gold, as well as the Canadian Mining Hall of Fame. (The gift also includes an endowed chair in mineralogy and a digital education module in earth sciences.)

In the Hall of Fame area, visitors will be able to call up inductees individually on an interactive touch screen. Accompanying multimedia exhibits will highlight Canada's minerals and the past, present and future mining industry.

The Hall of Fame is holding a gala fundraising evening at the museum on May 9, 2009 with entertainment provided by the Cowboy Junkies. Funds will go toward setting up satellite exhibits across Canada. Tickets for the event go on sale in February. ▲

## Mark your calendars

2009 PDAC International Convention

March 1 – 4, 2009

Toronto Convention Centre, South Building

# Ontario Mining Act does not need major overhaul

THE PDAC HAS SENT a submission to the Ontario government regarding possible changes to the Ontario Mining Act.

The submission comes as a result of two events.

In July 2008, Ontario Premier Dalton McGuinty announced that, as part of a plan to combat climate change, at least 50 per cent of the province's northern boreal forest will be fully protected from mining and other development. Then, in August, the government published a discussion paper entitled "Modernizing Ontario's Mining Act."

The discussion paper covers five policy areas: the mineral tenure system and security of investment; aboriginal rights and interests related to mining development; regulatory processes for exploration activities on Crown land; land use planning in Ontario's far North; and private surface rights and interests relating to mining development.

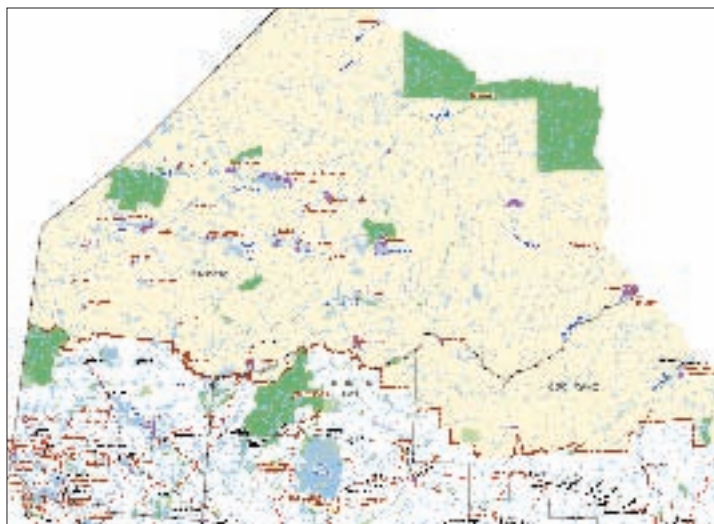
In its response to the government paper, the PDAC said it "believes that the appropriate amendments to the Ontario Mining Act do not encompass fundamental alterations to the existing regime for acquiring mineral tenure in Ontario (commonly, but in our view inaccurately, called 'free entry')."

However, the association proposes a number of procedural and administrative changes that will answer concerns raised by other interested parties.

In its submission, the PDAC warns the government about the consequences of barring mineral exploration and development in the northern area of the province. While the industry shares Ontario's concerns about climate change, such a move would have little impact on the changing climate and could have adverse results.

In particular, the PDAC says, prohibiting development in the northern boreal would have negative consequences for the province's First Nations, many of whom perceive mineral resource development as their best opportunity for sustaining their communities.

"In many areas of Canada, mineral resource development is the only economic activity that is capable of creating significant wealth and delivering the employment, training and business development opportunities



Map shows Ontario's northern boreal in yellow.

that First Nations so urgently need in order to narrow the gap between their standard of living and that of Canadians generally," the PDAC says.

The association also points out that properly managed exploration programs should have little long-term impact on the environment.

"We therefore urge the government to develop a more refined approach to land use planning that recognizes the distinctive nature of the impacts that potentially result from different forms of resource development, the most obvious examples being mineral exploration and mining, forestry and power generation," the submission adds. "This approach should focus on the valued components of the landscape that could be affected, the potential benefits that could be gained and the practical measures required to counteract adverse impacts."

The PDAC submission also addresses the concerns of private property owners regarding the acquisition of the underlying mineral tenure by third parties.

The provincial Ministry of Northern Development and Mines has proposed a policy framework that will reduce the impact of staking on the environment and broaden the categories of lands not open for staking. It will also improve the rules for notifying surface owners and review categories of private lands where the owner's consent would be mandatory before exploration work begins.

The PDAC recommends that the government consider amendments that British Columbia enacted in June. These changes

establish new requirements for prospectors when they give notice before accessing land where surface rights are privately owned. The amendments also describe certain obligations on the part of prospectors before entering private land.

The PDAC says that a combination of the proposed policy changes and the British Columbia model may help to reconcile differences between surface rights owners and explorationists. It also recommends that the government review obligations established in other provinces.

The PDAC submission refers at length to map staking. It notes that in 2007, the PDAC board agreed that the association should develop and advocate for a map staking policy that protects the confidentiality, mineral title and tenure of the claimant.

This policy would acknowledge that access to land acquired through map staking would be subject to consultation-communication protocols with land-owners, government authorities and other interested parties, especially First Nations.

The PDAC submission summarizes the advantages and disadvantages of map staking, and urges the government to consult sufficiently with all those potentially affected before deciding whether to accept or reject it.

The PDAC submission addresses the confusion over governments' duty to consult with and accommodate aboriginal communities. It says it is urgent that clarity be brought to the process and asks the government to develop a policy defining the role of government and describing the procedural aspects of consultation that proponents are expected to address.

The full PDAC submission to the Ontario government is available at [www.pdac.ca](http://www.pdac.ca). ▲

## Change of mailing or new e-mail address?

Be sure to let us know so that you can continue to receive *In Brief*, online News and Activities and convention information.

Please send your new information to [info@pdac.ca](mailto:info@pdac.ca).

# PDAC provides value to members

IN 1932, the Prospectors and Developers Association of Canada was founded as a not-for-profit organization to protect the interests of prospectors. Today, although the association has changed significantly in the intervening years, that mandate remains unchanged.

As the national association representing the mineral exploration and development industry, the PDAC still protects and promotes the interests of the Canadian mineral exploration sector and works to ensure a robust mining industry in Canada. It also encourages the highest standards of technical, environmental, safety and social practices in Canada and internationally.

Today, the strength of the PDAC's numbers — 6,094 individual and 966 corporate members — ensures that when the industry speaks, Canada's federal, provincial and territorial governments listen.

## Advocacy work

All PDAC members enjoy the benefits of the association's advocacy work. Initially, this work focused on securities regulations, tax legislation and land access. In recent years, the PDAC has been advocating on other issues challenging the industry: environmental protection, corporate social responsibility, human resources, aboriginal issues, globalization and health and safety.

As well as the larger benefit this advocacy work brings to the industry, it also provides specific advantages to PDAC members. They are kept continuously informed of current legislative and regulatory issues, and invited to join the association in submitting briefs to government.

In addition, the association hosts for its members workshops and educational sessions around important issues of the day. A vital part of this flow of information to members is the PDAC's online and quarterly newsletters.

## Convention

As well as benefitting from the PDAC's advocacy work, members enjoy a substantial discount on registration fees for the annual PDAC International Convention, held in Toronto every March. They can also

qualify for professional certification by taking one of the short courses held in conjunction with the convention, or the courses offered under the EduMine e3 certification program.

## Insurance

Because insurers tend not to understand the distinction between mineral exploration and mining and their associated risks, those in the exploration industry have been paying far more for insurance than they ought.

In 2007, the PDAC decided to make professional liability and business insurance more accessible to those working in exploration and mining. It developed two comprehensive packages, available only to members, that are tailored to their specific needs and offered at a fraction of the cost that they would pay elsewhere. The first is a consultants package, for individuals and private companies in the independent geological consulting business. The second, designed for explorers and operators, meets the needs of public and private corporations.

At its November 2008 meeting, the PDAC Board of Directors elected to make the consultants package available to members of other associations representing the interests of geoscientists. These include the Canadian Federation of Earth Sciences and the Association for Professional Geoscientists of Ontario.

## Core members

An important segment of the PDAC membership are the Core members.

While regular members may join the association at any time, Core members pay their annual fees before Dec. 31 every year, receiving a significant discount in the annual membership fee. These individuals are key contributors to the wellbeing of the organization, allowing its advocacy work to continue uninterrupted.

Core members also enjoy the lowest convention rate available.

## Corporate members

Corporate members fall into one of several categories: non-mining, junior exploration, and senior corporate, the latter being divided into six categories according to market capitalization.

Some categories have particular benefits attached, but corporate members enjoy common benefits as well. All receive some form of discount to exhibit in the Investors Exchange for the full convention. Corporate members also receive a 15 percent discount on the annual subscription to post jobs on the PDACJobs.com network. Additionally, their company name is listed, with a link, on the PDAC website and each corporate member receives one complimentary individual membership.

It is well known that there is strength in numbers, and the PDAC remains strong through its growing membership. For its part, the association is committed to providing value to its members and protecting their interests and those of the industry.

To find out more about becoming a member of the PDAC, please visit [www.pdac.ca](http://www.pdac.ca) or contact membership coordinator Florence MacLeod at [fmcLeod@pdac.ca](mailto:fmcLeod@pdac.ca), telephone +1 416 362 1969, ext. 221. ▲

## Students invited to apply for Mary-Claire Ward Award

THE PDAC IS INVITING POST-GRADUATE STUDENTS ENROLLED IN GEOLOGY AT CANADIAN UNIVERSITIES TO APPLY FOR THE MARY-CLAIRE WARD GEOSCIENCE AWARD.

The award, worth \$3,000, is presented annually to a student who undertakes a geoscience project with a geological mapping component.

The award is named for the late Mary-Claire Ward, a PDAC director and chair of its geoscience committee, who died in 2004. She was a passionate advocate for the preservation and expansion of Canada's geoscience knowledge base.

The deadline for applications for the 2009 award is December 15. Full details are posted at [www.pdac.ca](http://www.pdac.ca).

## Excitement draws people to the Investors Exchange



The Investors Exchange offers companies first-class facilities where they can showcase their projects.

AT THE HEART of the PDAC International Convention's growing significance for the mining world is its Investors Exchange. There, in the hundreds of booths set up by exploration and mining companies, and in the aisles filled with shoulder-to-shoulder crowds, you can almost physically feel the excitement and buzz that draws thousands to the convention each year.

The Investors Exchange is the place where deals are brokered, contacts are expanded and the groundwork laid for an exploration or mining company's success. This is where dark-suited men and women and casually dressed bargain-seekers do much of the mining world's business.

The Investors Exchange is a relative newcomer on the PDAC International Convention scene, dating back to the days when the convention was held in Toronto's Royal York Hotel (now the Fairmont Royal York). The core shack was already an established feature for convention attendees and the convention committee envisioned bringing junior companies in as exhibitors.

The first Investors Exchange was held in 1994 and, hard as it to believe today, it was a struggle to fill a small hotel room with booths.

But the exchange grew quickly. By the third year, it filled two rooms and began spilling over into other areas of the hotel. There was already a waiting list for booths.

In 1997, the convention moved to the north building of the Metro Toronto Convention Centre and continued to grow. By 1997, it contained 163 booths and that number had grown to more than 200 by 2000.

At the 2004 convention, exhibit space sold out long before the convention opened, and extra rooms had to be set up to accommodate the 331 exploration and mining companies occupying 352 booths. By last year, a move to the more spacious south building of the convention centre had become necessary. The move provided much needed additional space for the 650 exhibiting companies in the Investors Exchange.

In good times and bad, the Investors Exchange offers companies an unparalleled venue to showcase their results to investors from down the street or around the world. It's an opportunity that belongs in every company's strategic plan.

Convention registration begins this month. For more information on the Investors Exchange and the convention, please visit [www.pdac.ca](http://www.pdac.ca) and click on Convention. ▲

## Launch of CSR framework a major event

THE PDAC'S LONG ANTICIPATED corporate social responsibility (CSR) framework will be rolled out with great celebration at the 2008 PDAC International Convention.

The launch will be a major, high profile event, according to PDAC executive director Tony Andrews. "It's a major initiative for the industry worldwide, for the Canadian industry in particular, and for the PDAC as an organization," he said.

Although many details of the launch are still being worked out, two framework-related events have already been added to the convention program.

The first will occur during the opening keynote session, when Dennis Jones, chair of the CSR committee, will make a presentation about the framework.

In addition, a full-day workshop will provide orientation on the framework principles and performance guidelines, and describe how they can be applied at the site of operations.

The framework will be presented alongside two major good practice tools: an enhanced *e3 Environmental Excellence in Exploration* that is realigned with elements of the framework, and a new manual for

health and safety in exploration.

Andrews stresses that the framework will continue to be developed after the launch, incorporating specifically a verification system and reporting guidelines. ▲

## Students will act as PDAC ambassadors

WHEN DELEGATES ENTER THE SOUTH BUILDING of the Metro Convention Centre, they will likely be greeted by one of the convention's student ambassadors.

These young men and women are being recruited by the PDAC to volunteer for two four-hour shifts during the convention. Wearing distinctive hats and t-shirts, they will act as greeters, and help delegates to navigate their way around the convention's many attractions.

In return for their help, the students will receive a free convention registration and a ticket to either the Mineral Outlook luncheon or the PDAC/CIM luncheon.

Acting as an ambassador is only one of several ways in which students will be involved in the 2009 convention.

They will be guests at a student-industry networking luncheon, where six lucky students will win \$500 tuition top-up awards. Students will also be invited to take special conducted tours of the Trade Show and Investors Exchange, where they will be able to meet face-to-face with potential employers, and hand over résumés. ▲

# Survey reveals safer working conditions

HEALTH AND SAFETY AWARENESS among organizations involved in mineral exploration is improving, and working conditions are becoming safer.

A survey conducted jointly by the PDAC and the Association for Mineral Exploration B.C. (AMEBC) shows that 69 per cent of those respondents who were conducting exploration work in Canada reported no lost work incidents in 2007.

The PDAC and AMEBC are working together to increase health and safety awareness, zero fatalities and zero lost workday incidents, and for the past three years have conducted a survey of Canadian companies involved in exploration in Canada.

The survey has a frustratingly low response rate, and efforts continue to be made to encourage more companies to complete the survey. This year, of the 1,087 organizations contacted, only 101 filled in the survey. They reported 538,868 person days of activity and 65 of the organizations reported no lost work incidents.

The survey asked whether the organization had a health and



*The survey revealed most companies discuss safety issues with staff.*

safety program. Of the 98 companies responding, 72, or 73 per cent, said they did. This is an increase from 63 per cent in 2006 and 49 per cent in 2005.

The survey revealed that 89 of 99 companies discussed safety issues at staff meetings, or held safety meetings, and 85 of 98 respondents reported discussing recent near misses with staff.

There were five fatalities in Canada in 2007, down from eight in 2006. However, there were four additional fatalities that were not reported through the survey.

Respondents reported 60 lost workday incidents, up from 43 in 2006, but this can be partly accounted for by the increase in hours reported and more thor-

ough incident reporting by organizations.

There were 328 incidents without lost workdays, down from 408 the previous year.

DeBeers Canada has won the PDAC-AMEBC Annual Safety Award for the second consecutive year, having recorded the most hours — 375,455 — without a lost workday incident. ▲

## Companies working in Ecuador turn to the PDAC

OVER THE YEARS the PDAC has worked to improve its advocacy activities on behalf of the exploration industry. This includes work on the international level in parallel with the significant increase of its members' overseas activities.

This summer, the PDAC was able to act successfully as intermediary between Canadian companies working in Ecuador and the Canadian Department of Foreign Affairs and International Trade (DFAIT).

Ecuador has experienced significant political instability, and this has brought pressure to bear on the approximately two dozen exploration companies — all of them Canadian — working there.

Of these companies, four have found significant deposits and are developing mines but recently, says Tony Andrews, executive director of the PDAC, the president of Ecuador suddenly stopped all progress on these projects until the government had developed a new constitution and a new mining act.

“All the mining concessions were under review,” says Andrews, “and there was a threat that some companies would lose their concessions, after putting significant investment and time into them.”

The companies looked for help from Canada.

The Canadian government has signed a trade agreement with Ecuador that protects Canadian companies investing in the Latin American country. When the Ecuador government stopped the work on the Canadian projects, the PDAC contacted the Department of Foreign Affairs and International Trade to ensure that the trade agreements would remain in place.

“We played the go-between, to reassure our members in Ecuador,” says Andrews.

But there were other concerns. A number of the Canadian companies believed that the Canadian government was not intervening effectively to protect the interests of the companies. They asked the PDAC for help in advocating to the federal

government to improve communications.

“We worked with those companies that had the most advanced projects and developed a dialogue between them and DFAIT,” Andrews explains.

The end result of the PDAC's efforts was a meeting in Ecuador between the minister of DFAIT, the Ecuadorean government's senior officials and representatives of the Canadian companies.

Such assistance is not a new role for the PDAC.

Andrews says that the association's advocacy activities at the international level are usually transboundary in nature, focusing on global issues impacting the exploration business or regions affecting members in a number of countries. But occasionally, it gets involved in an individual country if the circumstances are appropriate and require the PDAC's intervention.

“Ecuador was such a situation,” he adds. ▲

## Public affairs a priority for Lynda Bloom

THE MINING INDUSTRY has to be more proactive in communicating the benefits it brings to society, says Lynda Bloom, a PDAC director and the recently appointed chair of the PDAC's new public affairs committee.

"The mining and mineral exploration industries are perceived very negatively by the public and we are fighting for the right to operate," she says. "Members want to see some improvement in our communication because we are under a lot of pressure from different interest groups."

Bloom's committee will focus on public affairs, media relations and advocacy communications. Members of the committee, she explains, have experience dealing with various segments of the public in areas such as corporate social responsibility and aboriginal affairs, and are aware of the questions that the industry needs to answer.

With its members providing this type of background, Bloom says, the committee will be able to find communications platforms to publicize the PDAC's work.

The public affairs committee is still deciding on the initiatives it will pursue, an exercise that Bloom finds exciting. "We'll come up with some pretty innovative new directions for the committee," she promises.

One area where she sees the PDAC giving leadership is as a repository of knowledge. As an example, Bloom points to mining companies who are working on traditional aboriginal lands.

"There are a lot of people doing very good work to engage with First Nations," she says. "But there doesn't seem to be a central location where you can learn from their successes and understand what some of the pitfalls are."

The committee will extend the PDAC's advocacy efforts, particularly in the area of government relations. Bloom says Members of Parliament need information to answer the questions of their electorate. "We want parliamentarians to be supportive of the industry but we need to give them the tools to do that," she says.

Bloom has broken new ground once before for the PDAC — in 2005, as co-chair of a newly formed student affairs committee.

The committee decided to focus on university and college students, and under the lead-



*Busy PDAC volunteer Lynda Bloom makes time for the important things.*

ership of Bloom and co-chair Scott Jobin-Bevans (now PDAC first vice president), it launched several new initiatives, among them the highly successful Student-Industry Mineral Exploration Workshop. Held annually in Sudbury, Ont., the workshop brings together some 23 geoscience students from across the country for an intensive two-week program of mineral exploration workshops, hands-on experience and networking.

The committee also organized student networking activities at the PDAC International Convention and carried out a survey of all geoscience scholarships and bursaries (they amount to more than \$1 million), posting the information on the PDAC website.

Bloom has been a member of the PDAC board of directors for the past three years and prior to that, was a member of the organizing committee of Mining Millennium, the 2000 convention held jointly by the PDAC and the Canadian Institute of Mining, Metallurgy and Petroleum (CIM). She has also participated in several PDAC International Convention workshops over the years.

Although most of her volunteer time is spent with the PDAC, Bloom has also held positions with other industry groups, such as the CIM (she was chair of the Toronto branch), the Association of Exploration Geochemists and the Geological Association of Canada — and she is also president of a junior mining company and a consulting company. Asked how she finds the time for all these activities, she responds, "You make time for the things you think are important."

Bloom's expertise is in geochemical explo-

ration and she has more than 40 technical presentations and publications to her résumé.

She has extensive experience in assay quality control, and has travelled around the world to audit laboratories and sampling procedures.

Born and raised in Ottawa, she obtained her bachelor of science degree in geology and chemistry at Carleton University, then went on to earn her master's from Queen's University in Kingston, Ont. in 1981.

After graduating with her bachelor's degree, Bloom's first job was with a laboratory that served the mineral exploration community, and that led to her career-long involvement with the industry.

From 1977 to 1987, she held various positions with mining companies and commercial laboratories related to mineral exploration. During that time, she spent three summers working in uranium exploration in Manitoba and Saskatchewan.

In 1987, she established her own geochemical consulting company, Analytical Solutions Ltd. in Toronto. From 1989 to 1991, she was vice president, administration and president of Citadel Gold Mines Inc., and from 1996 to 2007, president and CEO of Canadian Shield Resources.

Today, she is president of Halo Resources Ltd., a junior mining company.

With such broad volunteer and organizational experience extending over a period of 30 years, Bloom sees herself bringing particular value as chair of the public affairs committee. Her network of contacts is invaluable, she says.

"There are real advantages when trying to work on something like a public affairs committee to be able to draw on a broad network of people," she says. "Those are also the types of people I've been trying to pull onto the committee. If everyone's networks are engaged, there's a lot that can be accomplished."

As well as forging a new way ahead with the PDAC, Bloom recently broke new ground in her personal life. On a back-country canoe trip, she met up with a fellow paddler, Graham Fraser, four years ago and the two were married on Sept. 21. ▲

# BEHIND THE SCENES



On September 17, PDAC representatives met with Christine Lie, vice president of the Hong Kong Stock Exchange issuer marketing division, to discuss how the exchange might be represented at the PDAC convention and how it could collaborate with the PDAC to assist junior mining companies working in Asia.



Philip Bousquet, senior program director, regulatory affairs, represented the PDAC at an industry association sustainability leadership forum in Ottawa on September 19. Participating organizations discussed their respective sustainability programs and exchanged information about sustainability activities in Canada and internationally.



Chief operating officer Lisa McDonald took part in a planning meeting with representatives of Natural Resources Canada, Foreign Affairs and International Trade Canada, Indian and Northern Affairs Canada and Export Development Canada on September 23. The various governmental departments are aiming to collaborate more in their participation at the PDAC convention.



Finance and taxation committee chair Tara Christie and Tony Andrews were interviewed for an article, “Canada’s junior miners struggle with financing,” which was published in *American Metal Market*, September 23, 2008.



Jon Baird was interviewed by Dan Jones, CHON Aboriginal Radio, Whitehorse, on September 30, on the Skookum Jim Award.



Philip Bousquet attended the inaugural meeting of the Far North Advisory Council in Toronto on September 30. The council has been established by the Ontario Ministry of Natural Resources to advise the government on a broad framework of principles and processes for land use planning and draft legislation in the province’s far North. First vice president Scott Jobin-Bevans attended a subsequent meeting of the council on October 16 where a proposed science panel to provide data on carbon stocks was discussed.



Aboriginal affairs committee chair Don Bubar was interviewed by a German public television network on October 9 on issues relating to the review of the Ontario Mining Act.

President Jon Baird attended the Mining Exploration Summit – Policy Initiatives conference, organized by the Federation of Indian Mineral Industries and sponsored by the Ministry of Mines, in Agra, Uttar Pradesh, India, October 13-15, and delivered a paper entitled “The role of junior mining companies.”



Executive director Tony Andrews attended the biannual meeting of the International Council for Mining and Metals in London, October 13-16. The meeting was attended by 85 individuals representing 21 corporations and 15 national and commodity associations.



Don Bubar represented the PDAC at the 2008 NWT Aboriginal Business Conference in Yellowknife, NWT, October 14-16, and gave a presentation entitled “First Nations and mineral exploration: Partnerships and prosperity” in a session on aboriginal involvement in exploration. Director Jack Blacksmith participated in the same session and gave a presentation on the Cree Mineral Exploration Board in Quebec.



On October 15, Scott Jobin-Bevans and Felix Lee, co-chairs of the human resource development committee, represented the PDAC at Brock University’s university earth science week. Jobin-Bevans gave a presentation on PDAC activities and student involvement to geology and engineering students.



Bernarda Elizalde, program director, sustainable development, met with representatives of the Canadian Business for Social Responsibility and mining companies on October 28 to learn about their CSR initiatives and their thoughts on *e3 environmental excellence in exploration*.



Saley Lawton represented the PDAC at Mineral Resources Review 2008, St. John’s, Newfoundland, October 30-November 1.



Don Bubar and Philip Bousquet represented the PDAC at the annual conference of the Canadian Aboriginal Minerals Association in Saskatoon, November 2-4.



International affairs committee chair Deborah McCombe gave presentations on the PDAC’s Framework for Responsible Exploration at the Discover Mongolia conference in Ulaanbaatar, Mongolia, on November 6 and at the China Mining conference in Beijing, China, on November 11.



Tony Andrews attended a meeting of the World Economic Forum’s Global Agenda Council on the Future of Metals and Mining in Dubai, United Arab Emirates, November 7-9.



Second vice president Glenn Nolan gave the keynote address on the topic “Mineral exploration: Current state and future expectations,” at the Mining Association of Nova Scotia’s Mining Matters conference in Halifax on November 10.

# Current economic crisis calls for extraordinary measures

**A CREDIT CRISIS of staggering proportions, the current global economic slowdown, and investors spooked by plummeting equity and commodity prices are having a devastating effect on the mineral industry, particularly junior exploration companies that depend on the markets for their operating funds.**

The PDAC's finance and taxation committee has put together a series of policy recommendations and proposals that it is planning to take to Ottawa in the New Year. The proposals include both temporary initiatives and longer term solutions to help reduce the impact of the financial crisis on Canadian companies.

"The objective of our proposals is to ensure that exploration companies survive and are positioned to support this country's economic recovery," stated Tara Christie, chair of the finance and taxation committee.

The proposed measures and some notes of explanation follow:

## **PROPOSAL 1:**

---

**Temporarily increase the Mineral Exploration Tax Credit (METC) for exploration financed with flow-through shares from the current 15% rate to 30% for the next two years, and make the METC a permanent feature of the federal income tax system.**

---

The proposed increase of the METC for two years is intended to help exploration companies compete for risk capital in the market and provide an extra incentive to attract investors.

In the longer term, the PDAC would like to see the METC become a permanent feature of the federal income tax system.

The current 15% METC is the centrepiece of the federal and provincial exploration tax incentive programs. Almost all major mining provinces in Canada provide additional incentives to supplement the federal credit.

The 2008 federal budget extended the METC by one year to March 31, 2009. Subsequently, the Conservative Party's election platform committed to extending the credit, although no period of time was mentioned.

## **PROPOSAL 2:**

---

**Allow specified overhead costs to qualify for renunciation as exploration under flow-through share arrangements.**

---

There are various restrictions on amounts that can be renounced as Canadian Exploration Expenses (CEE) and earn an METC. Overhead

expenses are excluded from the CEE definition and, therefore, cannot be financed using flow-through shares. These expenses would typically be borne by the company issuing the shares and deducted by that company. Many of these expenses may not be fully deductible in the year incurred, but would be amortized over five years.

This proposal would enable some portion of the overhead expenditures incurred by companies in carrying out their offering to be treated as CEE. It is increasingly difficult to raise funds on the market. This initiative would allow companies to cover some of their overhead so they can stay in operation until the markets improve and reach the point at which they are able to raise traditional equity for overhead costs.

## **PROPOSAL 3:**

---

**Retain expertise in the sector by including exploration companies in the implementation of the Geo-mapping for Energy and Minerals infrastructure program.**

---

The PDAC was pleased with Prime Minister Harper's announcement in August 2008 of \$100 million to map northern Canada and is anxious that the federal government continue its five-year commitment to fund the collection of data for this country's geoscience knowledge base.

Under this proposal, junior mining companies, many of which will have excess capacity, could become directly involved as contractors in undertaking some of this geoscience work.

The measure would also help to retain geologists and field personnel in the sector. During the last downturn, experienced personnel were forced to find jobs in other sectors, leaving the industry short of qualified people when the industry picked up.

## **PROPOSAL 4:**

---

**Clarify CEE definition to include exploration on former mine sites.**

---

As part of a long-term strategy for mineral exploration, the PDAC is proposing that the federal government clarify that the definition of CEE includes the costs of exploration at former mine sites where the mine has not operated for at least five years.

This measure would encourage exploration in areas in Canada known to have mineralization and enable companies undertaking that exploration to be certain about how their costs would be treated for tax purposes.

*See Rules, page 12*

## Rules for QETs are expensive *continued from page 11*

### PROPOSAL 5:

#### Provide flow-through share treatment for QETs.

The purpose of a Qualified Environmental Trust (QET) is to set aside funds to ensure the rehabilitation of mine sites when they cease production.

The current rules for QET are expensive and it is complicated to use the existing QET tax deduction effectively. The flow-through share system would be a much more cost effective structure for companies, and the PDAC is recommending that the federal government allow contributions to a QET to be eligible expenses that can be financed with flow-through shares.

This would be a creative way to engage the private sector in innovative and cost effective solutions to help government remediate abandoned and environmentally degraded mine sites and to unlock value from brown sites.

Some abandoned and closed mine properties have significant potential for mine development, and junior companies are particularly well suited for the exploration challenges offered by such sites.

QET funds could also be used during market downturns when mines and exploration projects are shut down.

The PDAC is working hard to assist member companies during this current market crisis. We encourage members to send their views or suggestions to the finance and taxation committee, c/o Philip Bousquet, [pbousquet@pdac.ca](mailto:pbousquet@pdac.ca). ▲

## Fish habitat talks move to next stage

THE NATIONAL RESOURCE INDUSTRY Associations (NRIA) and the Department of Fisheries and Oceans (DFO) have started on the next level of their work together – to define medium- and high-risk activities that affect fish and fish habitat.

NRIA comprises seven resource groups, including the PDAC, which formed a coalition in 2004.

Its purpose is to negotiate with the DFO and streamline the approval processes for straightforward projects.

Once the group has defined medium- and high-risk activities, it will look for areas where streamlining might be effected.

The NRIA and DFO have issued 18 operational statements and guidelines to develop industry best management practices for low-risk activities. (The PDAC developed four statements for explorationists, which are posted on its website.)

NRIA is now examining ways of determining conformance with these operational statements and evaluating their effectiveness. This might mean conducting a survey, or undertaking case studies and industry discussions, in order to develop examples of companies that have integrated these statements into existing procedures, standards and best management practices. ▲

**Do we know  
how to find you?**

**If you're moving or changing  
your e-mail address, please  
let us know.**

**We don't want you  
to miss a single issue of  
*In Brief* or  
*News and Activities!***

**Send your new information to  
[info@pdac.ca](mailto:info@pdac.ca).**

**Ce bulletin est également disponible en version française. Voir [www.pdac.ca](http://www.pdac.ca) pour une copie.**

Prospectors & Developers Association of Canada  
135 King Street East, 9th Floor  
Toronto, Ontario, Canada M5C 1G6

**Publication Agreement #40042453**