



Prospectors & Developers Association of Canada

Association canadienne des prospecteurs et entrepreneurs

March 4, 2010

To Members of the Prospectors and Developers Association of Canada

I am pleased to report to you that today's federal budget contains several measures that are of interest and benefit to Canada's mineral sector.

The 2010 budget proposes that the Mineral Exploration Tax Credit (super flow-through share program) that was due to expire at the end of this month be extended for an additional year to March 31, 2011. The PDAC's volunteers, staff and members have continued to advocate in support of this program, arguing that it promotes exploration which is critical to Canada's economic recovery and long-term growth. Through submissions to government and meetings with federal officials and MPs, we have reinforced this message and, while we believe there is a strong rationale for the METC to become a permanent feature of the tax system, a one-year extension is welcome news to the industry.

Regulatory issues are a major focus of PDAC activity. Governments are aware of our members' concerns. As we heard at the close of the Mines Ministers' conference last summer, regulatory reform is a priority for the federal, provincial and territorial ministers. The 2010 federal budget states the following:

“Streamlining the regulatory regime and removing barriers to private investment will support economic growth and help provide opportunities for Northerners by unlocking the resource potential in Canada's North, while at the same time protecting the environment.

Budget 2010 provides \$11 million over two years to Indian and Northern Affairs Canada to support the acceleration of the review of resource projects in the North. These reforms will provide clarity and certainty for investors while ensuring that the environment is protected and that Canada's obligations under existing land claims agreements with Aboriginal groups are respected.”

In just a few days, I will have the honour of officially opening the 2010 PDAC Convention in Toronto. Federal, provincial and territorial government delegations will be participating in the convention. They need to hear from you. Please look for their exhibits at the trade show and attend the sessions in which they are involved. Regulatory permitting and reform, project financing, and public geoscience are among the issues that affect each of us and it is important that government is aware of what can be done to improve our industry's success in Canada.

Jon Baird
President