



Prospectors & Developers Association of Canada
Association canadienne des prospecteurs et entrepreneurs

January 17, 2012

Rt. Honourable Stephen Harper, P.C., M.P.
Prime Minister of Canada
80 Wellington Street
Ottawa, Canada K1A 0A2

National Chief Shawn A-in-chut Atleo
Trebla Building
472 Albert Street, Suite 810
Ottawa, ON K1R 5B4

Dear Prime Minister Harper and National Chief Atleo,

In advance of the *Crown – First Nations Gathering* on January 24, the Prospectors and Developers Association of Canada (PDAC) would like to congratulate you on this historic meeting that aims to examine ways in which the Government of Canada and First Nations leadership can improve the social and economic opportunities for First Nations communities in Canada. We are very supportive of the renewed dialogue based on mutual understanding and respect.

As an association representing mineral industry companies and individuals, we respectfully submit this letter with the purpose of contributing towards your dialogue. The PDAC is a national association representing close to 9,000 members, individual and corporate, that exists to protect and promote mineral exploration and to ensure a robust mining industry in Canada. We encourage the highest standards of technical, environmental, safety and social practices in Canada and internationally. Our organization has a history of working collaboratively with the Assembly of First Nations and the federal government in order to foster a successful mineral industry that contributes to the economic prosperity of Canada and Aboriginal communities. We work to promote greater participation of Aboriginal people in the industry as well as greater understanding and cooperation between Aboriginal communities and mineral companies.

Mineral exploration and mining in Canada

The mineral exploration and mining industry has made great effort to engage and work together with Aboriginal leadership and communities. Our member companies operate in remote areas of Canada. Many of the exploration projects are small-scale with perhaps half a dozen full-time employees, and a greater number of seasonal staff, performing a variety of tasks in support of mineral exploration.

Across Canada, mineral exploration and mining is the lifeblood for small, rural and remote communities. Throughout the economic turmoil of the past few years, exploration and mining companies have continued to invest in Canadian projects, creating jobs and new businesses that support the industry. Many of these businesses are Aboriginal-owned and operated, leading to new opportunities throughout the country.

Our mining industry is a story of success and is a fundamental driver of Canada's economy. In 2010, the mining industry paid \$8.4 Billion to governments in taxes and royalties and employed over 300,000 people. The mining industry is the largest private sector employer of Aboriginal Canadians. Since 1996,



the mining sector has seen a 43% increase in the Aboriginal work force, and Aboriginal Canadians now make up 7.5% of the mining labour force.

Mineral exploration is the essential first step in the mining cycle and Canada has a number of features that attract investment: we have good geology and good information available through public geoscience mapping, we have a workforce with access to a number of training initiatives, and we have a competitive tax system that includes flow-through share financing and the Mineral Exploration Tax Credit, both of which are unique to Canada. In 2011, it is estimated that exploration expenditures in Canada exceeded \$3.1 Billion, a significant increase over the \$2.6 Billion that was invested here in 2010.

The PDAC and Aboriginal affairs

In recognition of the shared commitment of the AFN and the PDAC to responsible, sustainable and prosperous mineral exploration and development that contributes to the economic, social and environmental well-being of First Nations, these organizations signed a Memorandum of Understanding (MOU) in March 2008. The AFN and the PDAC continue to uphold and fulfill the original commitments made between the two organizations, including:

- Establishment of opportunities for regular dialogue between the mineral sector and First Nations communities with the goal of enhancing mutual understanding and respect;
- Collaboration on human resource initiatives that promote greater participation of First Nations people in Canada's exploration and mining industry; and,
- Cooperation on public policy issues of mutual interest.

In recognition and support of the constitutionally-protected Aboriginal and Treaty rights of First Nations, the PDAC and its members are committed to working together with the AFN and its members on economic sustainability to support First Nations' goals to develop their own economies.

The PDAC conducts policy and advocacy work that we believe will promote mineral development and sustainable communities. We continue to advocate for clarity around consultation, specifically, on the roles, responsibilities and requirements of the Crown. Uncertainties regarding government consultation requirements, community engagement, and project permitting are a deterrent to mineral exploration investment and community growth. Many companies and communities are working together on formal and informal arrangements that lead to improved relations, regular engagement and business opportunities; however, government owes a constitutional duty to Aboriginal peoples regarding consultation.

The PDAC also advocates for the rapid resolution of outstanding land claims. We believe that the successful conclusion of outstanding land claims will bring increased certainty to First Nations communities and the mineral industry, and help to create the conditions that are needed for 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.

Our association supports the implementation of government resource revenue sharing. The sharing of government tax revenues derived from natural resource extraction with First Nations communities



would provide economic benefits to these communities and facilitate their direct participation in the mineral industry.

Education and PDAC Mining Matters

The PDAC recognizes and supports the right for Aboriginal people to equal, high-quality education in Canada. Aboriginal empowerment begins with education, which will improve the quality of life, foster opportunities and contribute to the development of sustainable economies. In that regard, the PDAC supports education and human resource initiatives which are designed to build capacity, provide opportunities for skills development, and enhance the participation of Aboriginal people in the mineral industry.

An initiative that is fundamental to the work of our association is PDAC Mining Matters, a charitable organization dedicated to bringing Canada's geology and mineral resources to students, educators and the general public. The organization provides current information about rocks, minerals, metals, and mining and offers exceptional educational resources that meet provincial curriculum expectations. Core to the program are the Mining Matters junior, intermediate and senior educational resources, created by educators and Earth science experts. Since its inception in 1994, Mining Matters has reached an estimated 450,000 teachers, students and the general public.

Mining Matters is now in its eleventh year of offering Aboriginal youth outreach programs. Programs include educational summer camps for ages 9 to 65, professional development workshops for teachers, and in-class student workshops.

The Aboriginal Outreach program provides educational initiatives that improve the quality of education for youth and enhance skills in literacy, science and math, teamwork, technology, problem solving, and critical thinking for youth. It also increases interest in the Earth sciences, mineral exploration, mining, the environment and future career opportunities. The program is organized with Aboriginal input for all community camps. It supports the local economy, including employment opportunities for camp support staff and service and supply requirements leading to enhanced relationships between Aboriginal communities, resource sectors and government.

e3 Plus: A Framework for Responsible Exploration

The PDAC continues to develop and promote good practices by the minerals sector. In March 2009, we launched *e3 Plus: A Framework for Responsible Exploration*, a guideline developed by the PDAC to help exploration companies continuously improve their social, environmental, and health and safety performance and to comprehensively integrate these three aspects into all of their exploration programs around the world. The principles and guidance for *e3 Plus* were developed with the assistance of non-industry partners. This process included a workshop with Canadian Aboriginal organizations and community representatives. *e3 Plus* provides the means for members to reduce social and environmental risk to their projects, to benefit local communities and to enable companies to become world leaders in corporate social responsibility (CSR) performance.



Experience has shown that, if there is active engagement from the earliest stage of exploration, greater understanding of local concerns, and community participation in the process, there will be an increase in project success and economic opportunities and sustainability for the resources on which First Nations communities depend.

Aboriginal Program at the PDAC International Convention

The annual PDAC International Convention, Trade Show and Investors Exchange (Toronto, March 2012) is widely acknowledged as the world's premier mineral industry convention, trade show and investors exchange with a focus on investment, finance, mineral exploration and development. In 2011, the convention attracted 27,700 participants from over 100 countries, including more than 50 official government delegations from Canada and around the world and over 400 self-identified Aboriginal delegates. Each year, there is a significant presence at the Convention from a variety of Canadian federal, provincial and territorial government departments.

The Aboriginal Program is a highlight of the PDAC Convention and is an excellent venue for networking, information sharing and economic development. The Program has been expanded for 2012 to meet the increasing demand for relevant and timely information that impacts both Aboriginal people and the mineral industry.

The future of our industry relies on working collaboratively with Aboriginal people. The *Crown – First Nations Gathering* can be a turning point, and one that we all take together.

The success and prosperity of Canada, Aboriginal people and the mineral industry are intrinsically linked. We need to share and recognize our responsibilities as partners. We are highly encouraged at the steps taken by both the Prime Minister and the National Chief in working towards creating a better quality of life, including economic opportunity, improved education and health. We strongly urge the federal government and the Assembly of First Nations to continue to work together to secure a shared, healthy and prosperous future for all. If the PDAC and its members can play a role in helping to make these discussions a success, we would be pleased to do so.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Jobin-Bevans', is written over a light grey grid background.

Scott Jobin-Bevans
President
Prospectors and Developers Association of Canada

Cc Hon. John Duncan, P.C., M.P.
Hon. Peter Penashue, M.P.