

Prospectors & Developers Association of Canada

Working for
the mineral
exploration
industry

This is a summary of the work and activities of the association over the past year. For the full version of *Activities 2002-2003*, please go to www.pdac.ca.

PDAC Convention 2003

The annual PDAC International Convention, Trade Show & Investors Exchange is now recognized as the leading event of its kind in the world. PDAC Convention 2003, held at the Metro Toronto Convention Centre, Canada, March 9-12, attracted a record 8,000 delegates, exhibitors, visitors, and guests. For those attending, the four busy days were filled with technical sessions, business and professional development, networking, meetings, and social functions.

Securities

The securities committee has taken every available opportunity over the past year to be involved in discussions surrounding Canada's securities regulatory system. There is now significant support and political will for change of what is now recognized as an unnecessarily complex and fragmented system that threatens Canada's global competitiveness.

Financial & Taxation

Extension of 'super' flow-through program The 'super' flow-through program has been a lifeline for the exploration industry in Canada, providing funds during a very long market downturn. Between October 2000 and September 2003, flow-through share financings raised over \$500 million, and the discovery rate for flow-through related finds alone was approximately two a month. The association has requested a further three-year extension to the program until investor interest has brought the sector closer to capacity.

Canadian Exploration Expense The financial & taxation committee has been pressing for clarification of the definition of CEE and its eligibility requirements.

Geoscience

Geoscience mapping programs The geoscience committee has been working on obtaining commitments from governments to re-establish adequate funding for government mapping programs. These efforts have met with considerable success. In 2003, the Targeted Geoscience Initiative, a three-year cooperative program between the Geological Survey of Canada and provincial and territorial jurisdictions, was extended by \$10 million over a further two years, and in May 2003, DIAND Minister Robert Nault announced \$4 million in geoscience funding for northern Canada over two years.

Professional registration of geoscientists The committee is also supporting efforts across Canada that will permit geoscientists to work in multiple jurisdictions without incurring multiple registration fees.

Sustainable development and environment

E3 Environmental Excellence in Exploration The PDAC's e-manual, E3 Environmental Excellence in Exploration, was launched in March 2003. This is a comprehensive, easy-to-use database of field proven best practices compiled from industry sources worldwide. E3's second phase will involve the promotion of its use by the exploration community worldwide. The PDAC will be offering E3 free of charge effective March 2004.

Abandoned mines Past president Gerald Harper is a member of the National Orphaned/Abandoned Mines Advisory Committee.

Towards Sustainable Mining The PDAC is represented on the design team of the Mining Association of Canada's *Towards Sustainable Mining* project.

New vision for conservation in Canada for the 21st century PDAC representatives attended workshops organized by the National Roundtable on the Environment and Economy to discuss conservation issues for the 21st century.

Sustainability indicators for the minerals industry Past president Gerald Harper represents the PDAC and the interests of the exploration sector on this project.

International Council for Minerals and Metals The PDAC is the sole representative of the exploration sector on this council, which was formed to carry on the work on the sustainability of the mining industry begun by the Global Mining Initiative.

GRI Stakeholder Working Group The PDAC was invited by ICMM to nominate a representative of the junior mining sector to participate in the Global Reporting Initiative.

World Bank Extractive Industries Review The PDAC made a submission on the *World Bank Extractive Industries Review* in September 2003.

Workshop on negotiation A workshop on NGOs and interest based negotiations was organized in September 2003 to help improve the PDAC's performance in building relationships between the industry and NGOs.

Land use

Land use strategy This strategy was approved by the board in December 2002. Work has now begun on actions identified in the strategy.

Promoting landscape management The strategy outlines actions to promote the use of landscape management as a planning tool. At a workshop in Ottawa on April 23-25, participants agreed that a systematic and multi-sectoral effort must be made to advance landscape management and priority actions were agreed to.

Activities 2002-2003

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Protected area strategies in Canada The land use strategy also calls for the compilation and development of a national database on the current status of protected area strategies in Canada. This has now been completed and is posted on the association's website. The database, which is the only single source of information on protected areas in Canada, consists of text descriptions of protected areas processes and strategies for all jurisdictions in Canada, accompanied by a spreadsheet of comparative data.

Communications

A newly formed communications committee will evaluate the association's communications and will develop fact sheets about the industry and key messages for the association.

PDAC Mining Matters

Established in 1997, PDAC Mining Matters is a charitable organization that provides teachers across Ontario with information and resources that educate young people about the importance of earth science and mining in their everyday lives.

Mapstaking

In March 2003 the board of directors agreed that the association should advocate map staking as a strategy for acquiring mineral rights in Canada but that this position should not be interpreted as opposition to ground staking. An ad hoc committee is examining this subject and all aspects of mineral tenure in Canada.

Diamonds

Kimberley Process The PDAC lobbied successfully for changes to Canadian legislation on this international certification and verification system for rough diamonds which took effect on January 1, 2003.

Proposed Canadian diamond strategy The PDAC has written to all Canadian mines ministers urging that industry be represented in discussions about the development of a diamond strategy for Canada.

Strategic plan

In the fall of 2002, the board of directors approved a new strategic plan for the association that will guide its activities for the next few years.

Canada's Innovation Strategy

The PDAC and Canadian Mining Industry Research Organization submitted a joint brief, *Innovation and the mineral exploration sector*, in response to the Government of Canada's Innovation Strategy.

Human resources study of the mining sector

Director Patricia Dillon is PDAC representative and co-chair of a mineral industry sector study steering committee overseeing and guiding a project to research and report on the short- and long-term human resources issues facing the industry.

Working with First Nations

The association is involved in a number of initiatives currently underway in Canada aimed at improving relationships between First Nation communities and the exploration industry.

Meeting policy makers

Having contact with policy makers is an important part of the association's advocacy efforts. We represent the exploration sector at the annual mines ministers conference, make a substantial contribution to Mining Works for Canada, are active participants in Mining Day on the Hill, and use every opportunity to meet policy makers across Canada.

Working with sister associations

This year, we have worked with a number of sister organizations on specific issues, including the Klondike Placer Miners Association and the B.C. and Yukon Chamber of Mines. The PDAC plays an active role in the Canadian Mineral Industry Federation and has good working relationships with the Canadian Association of Mining Equipment & Services for Export, the Canadian Institute of Mining, Metallurgy and Petroleum, and the Mining Association of Canada.

International activities

Mineral Policy Research Institute The PDAC is represented on the advisory group of the Mineral Policy Research Institute, a North American-Latin American initiative that promotes sustainable development in mining in Latin America and the Caribbean.

Foreign affairs The PDAC has held meetings with representatives from Peru and Finland and with Canada's High Commissioner to South Africa.

Research

Study on sustainability of mineral reserves Results of this year-long study on exploration trends, rates of discovery, production levels, and reserves have been presented at a number of venues.

Tracking exploration and financing trends We conduct an annual survey of junior mining companies' exploration spending and financing.

Monitoring views on investment climate The PDAC provides financial support for the Fraser Institute's *Annual Survey of Mining Companies*.

Membership & member services

Core member program Close to 1,700 individuals joined this new member program which was introduced in 2003.

Meeting our members The association attended a number of regional meetings across Canada to meet members and make presentations.

Publications

- *PDAC in Brief*, the association's quarterly newsletter
- *e-News & Activities*, the monthly electronic newsletter
- *Exploration & Development Highlights*, an annual magazine covering the Canadian exploration and development industry
- *PDAC Activities*, an annual summary of the work of the association

Website a valuable information tool that allows our members to register for the convention, renew their membership, and order publications online.

Job board www.pdacjobs.com was launched in September 2003.

Congratulations

2003 PDAC awards winners: Alex Davidson, BHP Billiton, Stuart A. Averill, Avard D. Hudgins, Falconbridge Limited, and Owen L. White

Canadian Mining Hall of Fame 2003 inductees: Cobalt Discoverers (James McKinley, Ernest Darragh, Alfred LaRose and Tom Hébert), Vladimir Mackiw, James Edward Gill, and Richard Ennis

PDAC scholarship recipients: Wade Barnes, Christine Bronsard, Chris Hercun, Patrick Johnson, Andreane Laforge, Andrea Langerud, Gaétane Milhomme, Nadia Paquet

Junior miner of Ontario: Trevor Smith

Tony Andrews was named CIM Distinguished Lecturer in May 2002

David Comba received a Natural Resources Canada's Minerals and Metals Sector Merit Award in November 2002

Patricia Dillon was awarded the CIM Distinguished Service Medal in May 2003

John P. Larche was inducted as a member of the Order of Canada in May 2003

Mary-Claire Ward was awarded the Geological Association of Canada's 2003 Ambrose Award

2003 PDAC claim tag award winners: Ontario, British Columbia, Saskatchewan, and the Government of Canada

In memoriam

John Pearce Anderle (1935-2002)

Robert W. Boyle (1920-2003)

W. Clarke Campbell (1918-2002)

H. Douglas Hume (1921-2003)