

An Action Agenda for Mining in Canada

On September 13, 1999, federal, provincial and territorial mines ministers met in Charlottetown for the 56th annual Mines Ministers' Conference. In the open session, ministers had a productive exchange with senior industry leaders and other stakeholders on a range of important issues. Ministers have endorsed the enclosed Action Agenda for Mining in Canada. It outlines points of consensus and future steps to be taken to help position Canada's minerals and metals sector and associated industries for the new millennium. We are pleased to provide you with the Action Agenda on behalf of our colleagues.

In reviewing the enclosed Action Agenda, you will note that further progress on many areas can only be achieved through partnership. To this end, we encourage you to work with us to advance in these areas in the months ahead.

Your feedback on this agenda and on arrangements for this year's Mines Ministers' Conference is, of course, most welcome through the members of the Intergovernmental Working Group on the Mineral Industry. Your input will be invaluable in organizing the 57th Mines Ministers' Conference, which will take place in Toronto from September 10 to 13, 2000.

Thank you for your contributions. Working together, we can help ensure that Canada can be the world's "smartest" natural resources steward, developer, user and exporter: the most high-tech; the most environmentally friendly; the most socially responsible; and the most competitive and productive.

Ralph Goodale
Minister of Natural Resources
Government of Canada

Donald MacKinnon
Minister of Development
Government of Prince Edward Island

Enclosure: (1)

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Federal, Provincial and Territorial Mines Ministers' Conference

Charlottetown,

Prince Edward Island

September 13, 1999

Hearing Industry's Concerns

The industry outlined its urgent and strong concerns with respect to the minerals and metals sector in Canada, which has been experiencing a serious downturn. The Mining Association of Canada, speaking for the industry, reviewed the state of the sector and raised in particular the issue of access to global markets. The Prospectors and Developers Association of Canada (PDAC) made a series of specific recommendations. Major issues raised by the industry included:

- access to international markets;
- access to land for exploration, including certainty of regulation and Aboriginal title;
- the tax regime for exploration and mining;
- the strength of geoscience infrastructure in Canada.

Provincial, territorial and federal Mines Ministers acknowledged the importance of these issues for the industry and for Canadians.

Ministers agreed to work together and with industry and other stakeholders to rapidly address the short-term issues identified at the meeting and to develop plans to deal with more complex issues requiring action over the longer term. Ministers also committed to take back the concerns they heard to their respective jurisdictions.



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Challenges considered by Ministers included the following:

Building Consensus: Canada as a Mining Country

Promoting awareness of the contribution of the mining industry, its potential for Canada, and its high-technology nature.

- Ministers re-affirmed the substantial contribution of Canada's minerals and metals industry to the economic development of the country. Ministers also noted the reality of today's industry: a modern sector using leading-edge technologies, investing in the development of these technologies, actively practicing environmental stewardship, and committed to sustainable development.
- Industry leaders and Ministers committed to work further – in partnership – to communicate to Canadians and to the rest of the world the contribution and leadership of today's mining industry.

Building Partnerships with Aboriginal Communities

Sharing information on leading practices with respect to Aboriginal participation in mineral development, working in cooperation with Aboriginal groups.

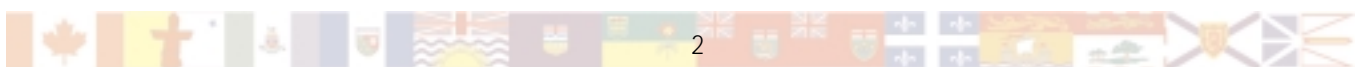
- Ministers recognized the substantial benefits for Aboriginal peoples, industry and other stakeholders that flow from sharing information and learning from leading examples of Aboriginal-industry partnerships. To that end, Ministers supported the development of key stakeholder working groups and other initiatives to identify and discuss issues and concerns as well as opportunities that flow from building relationships between Aboriginal communities and the industry.

- Building on the work of the Intergovernmental Working Group on the Mineral Industry (IGWG) and initiatives by several jurisdictions, Ministers commissioned the development of an inventory of leading practices as a resource for Aboriginal communities, industry practitioners and others. The inventory will be developed as a collaborative undertaking by the industry, the Canadian Aboriginal Minerals Association and other national Aboriginal organizations, other stakeholder groups, and governments.
- In Ministers' view, for these efforts to be successful, it is essential to recognize the diverse experiences of Aboriginal communities in terms of geography and history.

Ensuring Access to Global Markets for Canadian Minerals and Metals

Addressing market access issues – in partnership with the industry and other stakeholders – to ensure the continued safe use of minerals and metals.

- Ministers acknowledged the potential substantial impacts for the minerals and metals industry from actions outside of Canada. Ministers recognized that progress in this area requires a collaborative approach and long-term commitment by all parties. Ministers welcomed industry's willingness to take a pro-active leadership role in responding to this challenge.
- Market access will be a focus at the *World Mines Ministries Forum*, an important feature of *Mining Millennium 2000* to be held in Toronto in March.



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Providing a World-Class Geoscience Infrastructure in Canada

Recognizing geoscience as a key component of Canada's continued pre-eminence as a global destination for investment dollars.

- Ministers received the industry-led task force report, *Funding Government Geological Surveys: How Much is Enough?*
- Ministers recognized the important role of up-to-date geological mapping and an accessible geoscience knowledge base in stimulating investment in exploration. Ministers will consider strategies to achieve adequate funding levels and work to address a ten-year goal for substantially improving the knowledge base across Canada. Ministers asked officials to develop cooperative mapping strategies for Canada through the National Geological Surveys Committee and in close collaboration with industry representatives.

Ensuring Access to Land and Regulatory Certainty

Achieving reliability of land access and regulatory certainty, streamlining regulation and sharing information on best practices in land use management.

- Ministers reviewed PDAC's submission, which raised the issues of exploration incentives including flow-through shares, geoscience funding, land access and tenure, and legislative and regulatory reform. Ministers undertook to address these questions within their respective jurisdictions, as appropriate.

Providing an Internationally Competitive Fiscal Regime

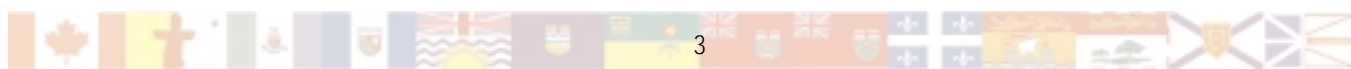
Ensuring an internationally competitive fiscal environment as a prerequisite for the development of Canada's mineral resources in an increasingly competitive global context.

- Ministers expressed their appreciation to the members of the government-industry task force established by IGWG to assess the report of the Technical Committee on Business Taxation ("the Mintz report"). In reviewing the task force's findings, Ministers expressed their concern about the potential negative impacts on the mining industry of any possible future implementation of the Mintz report recommendations. The federal Minister undertook to share the findings of the task force with the federal Minister of Finance. Provincial and territorial ministers undertook to communicate the task force findings to interested responsible ministers in their respective jurisdictions, as appropriate.
- Provincial and territorial ministers underlined the need for special measures to address the depressed state of the Canadian exploration industry. The federal Minister will bring these concerns to the attention of the Minister of Finance.

Supporting Canada's Gold Mining Sector

Recognizing the importance of Canada's gold mining industry and the impacts on it of international developments.

- Ministers recognized the strategic role played by the gold sector in the mining industry in Canada.



- Ministers agreed that the depressed state of the present gold market compromised the viability of several mining operations in Canada, leading to job losses and also considerably limiting exploration investment in this country.
- Ministers felt that substantial gold sales by central banks and international institutions, in addition to other factors such as hedging and speculation, would further depress the present gold market.
- Ministers agreed that Canada could play an important role on the international scene by promoting alternatives to significant institutional gold sales or by promoting a transparent and sequential approach to gold sales, when appropriate, to help minimize potential negative impacts on gold markets and on the economies of gold-producing nations.
- The federal Minister agreed to bring this matter to the attention of the Minister of Finance.

Mining Conferences

Welcoming the World in 2000

Inviting the global minerals and exploration sector and associated industries to Canada in 2000.

- Ministers conveyed a warm invitation to the global mining community to attend *Mining Millennium 2000*, March 4-10, 2000, in Toronto, the premiere mining event in the world. Ministers recognized the opportunity presented by *Mining Millennium 2000* to demonstrate Canada's global leadership in the sustainable development of minerals and metals.

Meeting Again in Toronto

Planning for the next meeting of Mines Ministers.

- Ministers accepted the invitation of Minister Tim Hudak to meet again at the 57th Mines Ministers' Conference in Toronto on September 10-13, 2000.

