



Action Plan 2005

Status Report

Reports on the activities of working groups arising from Action Plan 2005 of the Mines Ministers' Conference submitted for consideration at the 63rd Mines Ministers' Conference

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Introduction

The Status Reports contained hereunder reflect the actions taken on the major issues affecting the mining industry in Canada under the direction of the provincial, territorial and federal Ministers of Mines at the Mines Ministers' Conference 2005.

The reports were prepared either by working groups established by the Intergovernmental Working Group on the Mineral Industry (IGWG) or by officials responsible for a specific issue. Therefore, the views contained in the reports do not necessarily reflect those of IGWG as a whole.

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Fiscal and Taxation Policy

Provincial and territorial ministers considered the recommendations of the Intergovernmental Working Group on the Mineral Industry (IGWG) Sub-Committee on Taxation Issues. Ministers mandated the Sub-Committee to analyze the industry's recommendations for tax measures to stimulate exploration and enhance investment in emission-reducing technology. The Sub-Committee is to table a report at the 2006 Mines Ministers' Conference.

BACKGROUND

The 15 percent Investment Tax Credit for Exploration in Canada (ITCE) was introduced by the federal government in October 2000 as a temporary income tax incentive to stimulate mineral exploration during one of the most difficult periods in Canadian exploration history. Initially planned for a three-year period, this tax credit was extended twice, in the budgets of 2003 and 2004, and reinstated in the May 2006 budget (after its December 31, 2005, termination). The reinstatement will help solidify recent exploration gains and establish a strong base from which to move forward. Several provinces offer complementary tax incentive measures. The ability of mining companies to raise money using the ITCE is now slated to expire at the end of March 2007, although issuing corporations will be able to incur the exploration expenses until the end of 2008.

Following the 2005 Mines Ministers' Conference, New Brunswick's Minister Ashfield, on behalf of the provincial/territorial Mines Ministers, wrote to the then federal Minister of Finance, the Honourable Ralph Goodale. Minister Ashfield subsequently wrote to the current Minister of Finance, the Honourable Jim Flaherty. Both letters proposed an approach to encourage exploration and mining in Canada.

The tax components of this strategy were: the reinstatement of the 15 percent tax credit for exploration, the modernization of Canadian Exploration Expenses (CEE) and Canadian Development Expenses (CDE) under the *Income Tax Act*, and support for an industry proposal for a deep drilling tax incentive.

INTERIM RESULTS

In the federal budget of May 2, 2006, the exploration tax credit was reintroduced in accordance with the request of Mines Ministers and industry associations. The other taxation requests were not addressed in the budget and are the subject of further representations by industry and analysis by the IGWG Sub-Committee on Taxation.

Since the 2005 Mines Ministers' Conference, the IGWG Sub-Committee on Taxation has held a number of meetings to discuss a range of taxation issues. Topics discussed included industry's recommendations to stimulate exploration and the emerging issue of the tax treatment of Qualifying Environmental Trusts (QETs) for mine reclamation.

The effectiveness of QETs is an important emerging issue and was added to the list of items to be researched and analyzed. A joint meeting between the Sub-Committee on Taxation and the Directors of

Mines Committee was held in Vancouver in January 2006 to discuss ways to increase the effectiveness of QETs.

The industry request to the 2005 Mines Ministers' Conference that "fiscal options" be developed to improve the tax treatment of expenses for emissions reduction technology was not addressed by the working group. There was no industry follow-up on the initial request nor any specific proposal.

The working group has produced a report entitled *Taxation Issues for the Mining Industry: 2006 Update*. The report summarizes the Sub-Committee on Taxation's analysis and discussion on the following subjects:

- Mineral exploration financed by flow-through shares;
- Industry tax proposals including:
 - Extension of the Investment Tax Credit for Exploration beyond March 2007,
 - Modifying CEE tax treatment for the costs of community consultation, baseline environmental studies, feasibility studies, and exploration in the vicinity of existing mines, and
 - Introducing a 20 percent federal tax credit for deep drilling; and
- Income tax treatment of QETs.

CONCLUSIONS

The rise in exploration spending has not yet translated into a reduction in the rate of decline of Canada's key metal reserves with the exception of nickel. The persistence of a longstanding decline in metal reserves in Canada is a source of concern that has triggered an investigation into ways of increasing exploration success, and of stimulating metal exploration, particularly in the vicinity of existing mines.

Before a tax incentive such as the deep-drilling tax credit suggested by industry can be effectively implemented, it would be necessary to first change the CEE rules so that drilling in the vicinity of existing mines would be eligible for this favourable tax treatment. The proposed change of CEE rules would require additional analysis and interdepartmental consultations.

In addition, the increased focus on community consultation and environmental protection has resulted in the proposal to treat the costs for these activities, when directly related to exploration, as CEE. However, this issue is complex because these costs can receive different tax treatments depending on their purposes. If the current wording of the tax legislation is causing hardship, it would be useful to obtain documented evidence from industry. It should be noted that any change to the definition of CEE would have an impact on provincial/territorial income taxes paid by the mining industry.

Finally, changing the tax treatment of QETs as proposed by industry would require a change in government policies, which would itself require extensive analysis by relevant government departments.

RECOMMENDATIONS

Ministers mandate the IGWG Sub-Committee on Taxation to analyze the following issues and table its findings at the 2007 Mines Ministers' Conference:

- Proposals for changes to the CEE and CDE definitions (to include costs related to environmental studies, community consultation, feasibility studies, and exploration near existing mines); and
- Industry's request for a deep-drilling tax credit of 20 percent.

National Orphaned/Abandoned Mines Initiative in Canada

Ministers agreed to encourage respective federal/provincial/territorial audit and finance officials to participate in the November workshop.

Ministers endorsed the ongoing work of the National Orphaned/Abandoned Mines Initiative (NOAMI), in particular the development of:

- *a portal site for a national inventory for inactive mine sites, and*
- *recommendations for the development of policies/legislation with respect to orphaned/abandoned mine-site remediation.*

Ministers agreed to continue financial support for the work of NOAMI.

BACKGROUND

The legacy of orphaned/abandoned mines (O/AMs), with the associated environmental liability, human health concerns and the financial costs of clean-up, continues to be a serious issue facing Canada and all Canadians.

Since 2002, Mines Ministers have signaled their commitment to address this serious issue with continued support for the National Orphaned/Abandoned Mines Initiative (NOAMI). NOAMI is a unique cooperative Canadian program that is guided by an advisory committee consisting of the mining industry, federal/provincial/territorial governments, environmental non-government organizations (ENGOS) and Aboriginal Canadians.

The committee's role is to assess key issues and put forward recommendations to Mines Ministers concerning collaborative approaches and partnerships in the implementation of remediation programs for orphaned and abandoned mine sites in Canada. At their annual meeting in St. Andrews, New Brunswick, in 2005, Ministers agreed to support the ongoing activities of NOAMI as outlined in its detailed work plan (2004), as long as human and financial resources permit.

More specifically, Ministers agreed to encourage their respective federal/provincial/territorial audit and finance officials to participate in the November 2005 NOAMI-sponsored Assessing Liabilities and Funding Options workshop. They also agreed to the development of a portal site for a national inventory of inactive mine sites, and recommended the development of policies/legislation with respect to orphaned/abandoned mine-site remediation.

INTERIM RESULTS

A mandate was given to the Mineral and Mining Statistics Division of Natural Resources Canada to develop a working model of the national inventory. To date, the database is in the process of being populated and currently contains orphaned and abandoned mines data from several jurisdictions (i.e., Ontario, British Columbia, Manitoba, the Yukon and Northwest Territories). The database is intended to be Web-enabled and will be demonstrated in 2006.

A report on all legislation relevant to the remediation of orphaned/abandoned mine sites is currently in final review by federal/provincial/territorial agencies responsible for various legislative jurisdictions. Once complete, the report will include a synthesis of the jurisdictional analyses, including an assessment of gaps, limitations, barriers to and opportunities for remediation, along with a summary of observations. The completed review is to be released in late 2006 in CD-ROM format.

In November 2005, NOAMI hosted a multi-stakeholder workshop on Assessing Liabilities and Funding Options. Key themes of technical site assessments, accounting for and reporting on liabilities, assessing community and health impacts, and funding options were examined through Canadian and international case studies and panel presentations. A roll-up discussion summarized the highlights of the discussions on each of the key themes and identified gaps and future priorities for NOAMI. These recommendations will help to develop terms of reference for the assessment, reporting on and funding of liabilities associated with O/AMs. Workshop proceedings are posted on the NOAMI web site (www.abandoned-mines.org).

One recommendation from the workshop was the production of a guidance document on funding options. This would be a resource document for use by jurisdictions across Canada to help guide the establishment of potential funding options for the remediation of O/AMs. This work has been commissioned and a summary document has been produced.

In October 2006, NOAMI will host a workshop in Winnipeg on Orphaned/Abandoned Mines: A Workshop to Explore Best Practices. The premise of the workshop is to explore and understand the best existing, emerging and innovative practices relating to the management of orphaned/abandoned mines.

RECOMMENDATIONS

Ministers agree to encourage their respective jurisdictions to integrate (if they have not already done so) their datasets to produce a nation-wide inventory.

Ministers endorse the ongoing work of NOAMI, in particular the development of:

- a guidance document to guide jurisdictions in the establishment of potential funding options for the remediation of O/AMs; and
- a “toolkit” of best practices, based on results from the Winnipeg 2006 workshop, to address the legacy issues associated with the management of orphaned/abandoned mine sites.

Ministers continue to financially support the NOAMI workplan.

Cooperative Geological Mapping Strategies

Ministers agreed to re-affirm their support for the Cooperative Geological Mapping Strategies Across Canada as an initiative that will benefit all regions of Canada and help to improve Canada's position in an increasingly competitive global economy.

Ministers also agreed to continue to seek the necessary funding to make the Cooperative Geological Mapping Strategies reality.

ISSUE

The fact that the Cooperative Geological Mapping Strategies Across Canada has not received federal funding has evoked a negative response from a range of stakeholders.

BACKGROUND

Successive reports to Mines Ministers by an industry-led task force reported in 1998 and 1999 that Canada's public geoscience knowledge base was one of this country's key advantages in attracting investment in mineral exploration in an increasingly competitive global market. The task force warned, however, that this advantage had been put at risk by the protracted decline in funding of government geological surveys and established a target for reinvestment in public geoscience over a 10-year period. Canada's public geoscience knowledge base is a government responsibility shared by provinces, territories and the federal government. It provides essential information for informed land-use decision-making and provides the basis for a competitive exploration sector. Public geoscience is a public good that cannot be provided effectively by the private sector.

In response, Ministers directed the National Geological Surveys Committee (NGSC) to develop a collective strategy to achieve the target while respecting the roles and responsibilities of the respective jurisdictions as described in *the Intergovernmental Geoscience Accord*. Ministers unanimously endorsed the resulting Cooperative Geological Mapping Strategies Across Canada (CGMS) document in 2000 and, furthermore, undertook to seek new funding within their jurisdictions to make CGMS a reality. Although there have subsequently been some incremental funds both federally and in a number of provinces and territories, it has not been possible to secure funding of the magnitude and duration necessary to achieve the target set out by the task force.

Industry support for an enhanced investment in public geoscience continued to grow and, in 2003, Mines Ministers directed the NGSC "to complete the implementation plan for the Cooperative Geological Mapping Strategies Across Canada as a matter of priority."

The Implementation Plan for CGMS was developed through a series of regional and Canada-wide workshops that achieved consensus on a number of shared public policy goals and the geoscience programming to address them. Importantly, there was also agreement on the need for the federal, provincial and territorial survey agencies to work together on a multilateral basis, reflecting the reality

that areas of prospective geology transcend jurisdictional boundaries. The CGMS Implementation Plan was endorsed by Mines Ministers at their 2004 conference.

INTERIM RESULTS

Notwithstanding the strong support, CGMS has not been allocated federal funding. Budget 2005 did, however, provide \$5 million per year for five years to extend the Targeted Geoscience Initiative into a third phase (TGI 3) to promote exploration for base metals in established mining communities. TGI 3 is being implemented using the multi-jurisdictional approach developed through CGMS negotiations. Although the renewal of the TGI was an important step, it will not address two principal themes of CGMS, which are new economic opportunities for northern and frontier areas, and secure energy supplies.

The industry has expressed disappointment over the lack of federal funding for CGMS and Minister Ashfield of New Brunswick wrote to the federal finance minister following MMC 2005 to express concern on behalf of all provincial and territorial mines ministers. Key industry associations have made CGMS a top priority through their submissions to MMC 2006 and CGMS remains a priority of the Minister of Natural Resources Canada.

RECOMMENDATIONS

It is recommended that:

- Ministers re-affirm their support for the Cooperative Geological Mapping Strategies Across Canada as an initiative that will benefit all regions of Canada and help to improve Canada's position in an increasingly competitive global economy; and
- Ministers continue to seek the necessary funding to make CGMS a reality.

Aboriginal Participation in the Mineral Industry

Ministers agreed that the Sub-Committee on Aboriginal Participation in the Mineral Industry continue to focus on communicating and sharing information through its national network and working with national/industry organizations and government agencies.

Ministers agreed that the Sub-Committee should highlight and use successful projects/best practices on Aboriginal participation in the mineral industry as national models of success.

Ministers endorsed the recommendation that the Sub-Committee identify and develop strategies to address common barriers and gaps (real and artificial) to Aboriginal participation in the mineral industry.

Ministers agreed that the Sub-Committee participate in the development of a National Aboriginal Human Resources in Mining Strategy with the Mining Industry Human Resources Council (formerly known as the Mining Industry Training and Adjustment Council–Canada).

INTERIM RESULTS

The Sub-Committee on Aboriginal Participation in the Mining Industry has met via telephone conference on six occasions since the last Mines Ministers' Conference. The Sub-Committee has been working on updating and "redesigning" the brochure "A Checklist to Assist Mineral Companies Active in Areas Near Aboriginal Communities." This revised "Checklist" is planned for release in September 2006.

Due to reorganization and funding issues, the Mining Industry Human Resources Council (MiHR) did not commence work on a national strategy focused on Canada's Aboriginal work force. The Sub-Committee is prepared to participate once work on the strategy begins. The Sub-Committee also supports the implementation of initiatives by MiHR aimed at increasing the recruitment, advancement and retention of an Aboriginal work force in the mining sector, such as minerals and metals human resources tools for increasing Aboriginal inclusion.

The Sub-Committee is working on an inventory of consultation policies with Aboriginal communities across all jurisdictions in Canada.

RECOMMENDATIONS

It is recommended that the Sub-Committee:

- maintain its network and continue to cooperate with national/industry organizations whenever possible in order to keep communication lines open and to share information and best practices/activities; and
- participate in the national strategy focused on Canada's Aboriginal work force with the Mining Industry Human Resources Council.

Financial Surety

Ministers supported the Directors of Mines Committee's intentions to pursue financial surety issues in more detail as part of the overall review of reclamation securities and, where warranted, make appropriate recommendations to ministers at the 2006 Mines Ministers' Conference. This and the continued efforts of the Directors of Mines Committee will serve as a means to facilitate future harmonization of legislation where it is deemed appropriate to do so.

BACKGROUND

At the 2004 Mines Ministers' Conference in Iqaluit, the Province of New Brunswick requested that Mines Ministers undertake a review of financial securities necessary for mine reclamation in Canada. New Brunswick was specifically concerned that variations in the form and amount of security requirements from one jurisdiction to another may offer industry the opportunity to play one jurisdiction off against the other, using precedent as the basis for argument. What is acceptable in one jurisdiction may not be in another; however, by making reference to a standard established in another jurisdiction, it may compromise the position of a province or territory for future negotiations or legal challenges. As such, New Brunswick suggested that it may be appropriate to develop a comprehensive, integrated approach among Canadian provinces and territories for dealing with the issue of mine reclamation security.

"The Mines Ministers mandated the Directors of Mines Committee to examine options on how provinces and territories can work together to possibly develop a coordinated approach on financial bonding for mines reclamation. The objective of the Sub-Committee would be to minimize the potential for financial burden in the respective jurisdictions. Ministers asked that the Sub-Committee report back at the 2005 Mines Minister's Conference."

An interim report was generated for the 2005 Mines Ministers' Conference in which the Directors of Mines (DOM) proposed undertaking a comprehensive survey of reclamation security practices in Canada and formulating it into a reference document to serve as a basis for further discussion and recommendations. At the same time it was expected that, during this review, other deficiencies in the area of reclamation securities may be identified and that these could result in other recommendations to Ministers. It was also noted that the National Orphaned/Abandoned Mines Initiative (NOAMI) has a component of its legislative review related to financial surety pertaining to orphaned and abandoned mines across Canada and the DOM made a commitment to coordinate its review with NOAMI to ensure that there was no overlap or duplication of effort with respect to this issue.

INTERIM RESULTS

The "Survey of Mine Reclamation Bonding in Canada" is complete and the DOM have determined that this survey document in itself is the optimum means for ensuring a coordinated approach on financial bonding for mine reclamation. Members of the DOM believe that, through this document, they will be able to stay abreast of what is happening in other jurisdictions with regard to mine reclamation security and will be able to use this information to adjust their own requirements as they see fit, thus ensuring a level playing field and minimizing the potential burden in their respective jurisdictions. It is, however,

critical that each jurisdiction commit to participating in the continual upkeep of the survey document to ensure it remains comprehensive and useful.

During the DOM's review of reclamation security practices, an issue was identified regarding the financial reporting of reclamation securities by industry. For large multi-operational companies, reclamation securities/liabilities did not appear to be reported on an operational basis, but rather as a total for the entire company. As such, it is not clear whether or not the reclamation liability (and security requested) identified by a jurisdiction for a specific mine site is being stated in the proper form and amount in the company's financial statements. It appeared that jurisdictions have no way of knowing from a company's financial statements if their requirements are being considered in full or not. The DOM investigated this further with the Canadian Institute of Chartered Accountants and did receive satisfactory direction on how to verify whether or not this information was being recorded properly and what steps to take to ensure that, if this were not the case, the situation would be rectified.

The DOM communicated and collaborated with NOAMI on the issue of reclamation securities to ensure that there was no overlap or duplication of effort.

The issue of the financial reporting of reclamation liabilities and security was satisfactorily resolved and no further action appears necessary.

RECOMMENDATIONS

Mines Ministers mandate the Directors of Mines Committee to continue to keep the "Survey of Mine Reclamation Bonding in Canada" document current and comprehensive, thus ensuring it continues to play a critical role in securing a uniform financial bonding system for mine reclamation across Canada.

The DOM continue to remain current with the activities of NOAMI in collaborating and providing assistance in the area of mine reclamation security when it is deemed appropriate.

Regulatory Process

Ministers endorsed the recommendation that the Intergovernmental Working Group on the Mineral Industry (IGWG) report progress on these matters to ministers at their 2006 conference.

IGWG members are to identify any regulatory issue of interest to the mining sector and to share information with all jurisdictions to better understand the significance and consequences of these initiatives.

ISSUE

More effective regulatory processes, particularly at the federal level, continue to be a key issue for government and industry representatives.

BACKGROUND

Natural Resources Canada provided the Intergovernmental Working Group on the Mineral Industry with regular updates on Government of Canada legislative, regulatory and related initiatives with the potential to affect the investment climate for mineral development in Canada.

The focus of the updates was to identify opportunities for other jurisdictions to participate in multi-stakeholder consultations with respect to these initiatives, and to provide information on the status of discussions and outcomes.

INTERIM RESULTS

Provincial and territorial IGWG members are in the process of identifying priority regulatory issues of interest with the objective of information sharing and meeting with senior representatives of federal government regulatory departments and agencies over the coming year in order to advance the development and implementation of solutions.

RECOMMENDATIONS

It is recommended that:

- Ministers approve the creation of an IGWG Sub-Group on Regulatory Framework/Issues focused on the creation of an improved regulatory framework, as set out in the proposed Federal-Provincial-Territorial Framework for Action Implementation Plan; and
- The proposed IGWG Sub-Group on Regulatory Framework/Issues report back to Mines Ministers in British Columbia in 2007 on its activities.

Implementation of the National Diamond Strategy

Provincial and territorial ministers reported their decision to invite the federal government to participate in the implementation of the National Diamond Strategy by joining the Multi-Stakeholder Coordinating Body for that purpose.

BACKGROUND

At their annual conference in July 2003, the provincial and territorial premiers directed their Mines Ministers to develop and report back to them on an action plan for a National Diamond Strategy (NDS) that would maximize the benefits to Canadians from all stages of the emerging diamond industry.

The Northwest Territories and Quebec agreed to facilitate development of this action plan by the provinces and territories.

At the 2003 Mines Ministers' Conference (MMC) in Halifax, Mines Ministers approved the mandate and work plan of the steering committee formed to help them prepare the draft action plan.

The steering committee presented its report to Ministers at the 2004 MMC in Iqaluit. Ministers endorsed this report, the recommendations of which were on three themes, i.e., the supply of Canadian diamonds, demand for diamonds processed in Canada, and market regulation. A key recommendation was on development of the terms of reference for a multi-stakeholder coordinating body (MSCB) such as a "diamond institute or council."

Provincial and territorial Mines Ministers mandated the Strategy steering committee to place priority on creating this MSCB. This body could be mandated to develop the terms and conditions for implementation of the Strategy, coordinate its carrying out, and propose the next steps. The steering committee was also mandated to examine ways to develop a process for certification of origin, document tax incentives, and create a network of centres of excellence for diamond exploration and development. Finally, Ministers asked that the steering committee report to them at the 2005 MMC.

The premiers received the action plan at the meeting of the Council of the Federation in July 2004 and approved the Strategy. The premiers mandated their Mines Ministers to pursue development and implementation of the NDS.

The Strategy action plan was made public in September 2004. Two weeks later, the main associations representing various sectors of the diamond industry wrote to the premiers in praise of the Strategy.

At MMC 2005 in St. Andrews, Ministers approved the proposed terms of reference for the MSCB and mandated the steering committee to create the MSCB as soon as possible. They also invited the federal government to participate in implementation of the MSCB in partnership with the provincial and territorial government and the organizations involved. Finally, Ministers accepted Quebec's offer to host

the MSCB and to provide it with secretariat services until it achieved financial independence for a maximum period of five years.

The federal government thanked the provinces for the invitation and indicated that it was in full agreement with the Strategy objectives. It indicated that, under the federal *Financial Administration Act*, there were some legal considerations connected with the legal structure proposed for the MSCB, and that this prevented it from accepting the invitation immediately. The federal government asked the provinces and territories to give it some time to study the terms of reference for the implementation of the Strategy and to conduct the necessary consultations.

INTERIM RESULTS

The federal government is studying the provincial and territorial governments' official invitation, made in September 2005, to participate in the creation and funding of the MSCB.

In November 2005, the Northwest Territories withdrew as co-chair of the steering committee and from implementation of the NDS.

RECOMMENDATION

In response to the invitation to the federal government to participate in the implementation of the National Diamond Strategy, it is proposed that the federal government partner with the provinces and territories in the development of an action plan that addresses any area of common interest in connection with the proposed Mines Ministers' FPT Framework for Action.

Mineral Statistics

Ministers heard the importance of mineral statistics in providing the basis for informed policy and decision-making. Provinces and territories were encouraged to continue collaboration with the federal government through memoranda of understanding on the collection and use of mineral statistics.

Ministers agreed that the Federal-Provincial-Territorial Committee on Mineral Statistics should report on its activities at future meetings.

BACKGROUND

As of 2005, the Federal-Provincial-Territorial (FPT) Committee on Mineral Statistics reports annually to the Mines Ministers' Conference. It is one of a network of federal-provincial-territorial committees charged with achieving an effective and coordinated statistical system in Canada. This committee, chaired by the Minerals and Metals Sector of Natural Resources Canada, facilitates the collection, sharing and dissemination of good, credible, comprehensive and timely data nationally, provincially and territorially.

The committee's role is to establish national standards and concepts for mineral statistics, to develop a consensus for statistical priorities in the minerals industry, to minimize the industry's response burden, to eliminate the duplication and overlap of survey activities, to promote the effective sharing of data, and to maximize the efficiencies of the statistical programs.

The committee concerns itself with the interests and needs of both the suppliers and users of mineral statistics, and addresses statistical matters relating to the mineral industry throughout Canada. Its meetings provide a forum for information sharing and communication between members and allow the Minerals and Metals Sector to renew its commitment to work with the provinces and territories and federal departments to maintain and improve access to statistical information.

The FPT Committee on Mineral Statistics convenes annually for three days in Ottawa. Although the meeting is a milestone event for Committee activities, contacts between member organizations occur on an ongoing basis.

Over 70 representatives from the provinces and territories, industry and federal government typically attend the meetings. The federal government is represented by Statistics Canada, Indian and Northern Affairs Canada, and Natural Resources Canada. The Prospectors and Developers Association of Canada (PDAC) and The Mining Association of Canada (MAC) are invited to make submissions from an industry perspective.

The FPT Committee on Mineral Statistics web site is located at <http://mmsd1.mms.nrcan.gc.ca/fprov/>. Yvan Gauthier can be contacted for more information regarding a password for this site (e-mail: yvan.gauthier@nrcan.gc.ca).

For additional information on national, provincial and territorial statistics, please refer to the Minerals and Mining Statistics On-Line web site at <http://mmsd1.mms.nrcan.gc.ca/mmsd/>.

INTERIM RESULTS

The Canadian mining, mineral-processing and metal-producing industries continue to be a statistically important component of the Canadian economy. In 2005, the preliminary value of production of these industries totaled over \$60 billion, which includes the traditional value of production from Canadian-mined ores, concentrates and aggregates (\$26 billion). The balance includes the value of production realized from the smelting and refining of domestic and imported ores and concentrates, recyclables, steel, aluminum, and tar sands mining. Each year a province or territory is invited to co-chair the meeting. This year the Institut de la statistique du Québec performed that role.

Recent foci of the Committee have included: diamonds, the aggregate industry, environmental issues, Aboriginal issues, mapping, and improvements in the electronic exchange of data. Notable highlights included a presentation by the PDAC on its role in the industry, and a presentation by the Assistant Deputy Minister of the Minerals and Metals Sector emphasizing the importance of mineral statistics to both the industry and government. The 2006 meeting resulted in critical decisions and actions that ensure ongoing progress on existing and upcoming issues of common interest.

During the past year, teams from the Mineral and Mining Statistics Division of Minerals and Metals Sector travelled to the provinces and territories, including Nova Scotia, New Brunswick, Ontario (Ministry of Natural Resources), Manitoba, Saskatchewan, Alberta, British Columbia and the Northwest Territories. Items discussed during each visit included the renewal of memoranda of understanding (MOUs), the improvement of electronic communications, the use of interactive web sites to share information, and access to administrative data on aggregate production.

The next Committee meeting is scheduled for April 23-25, 2007.

RECOMMENDATIONS

It is recommended that:

- All participants continue to collaborate to advance the work of the Committee;
- All participants are strongly encouraged to attend the annual Committee meeting and to renew Memoranda of Understanding as necessary; and
- All participants ensure that their respective representatives assigned to the Committee are appropriate for the successful resolution of statistical issues.

Viability of Mining Communities

Mines Ministers heard an urgent request to address mining communities across Canada whose viability is being threatened by such factors as depleting reserves and global competitiveness. Deep drilling incentives, research and development in deep mining and processing technologies, and continued excellence in geoscience were all identified as possible solutions to maintaining the viability of mining communities.

*Ministers agreed to strike a working group and asked that this working group continue to pursue the theme, *The Viability of Mining Communities*, and report back on a regular basis.*

BACKGROUND

On March 5, 2006, the Intergovernmental Working Group on the Mineral Industry (IGWG) met in Toronto to discuss the direction of Mines Ministers and, as a result, asked Natural Resources Canada (Minerals and Metals Sector) to prepare a draft “framework” discussion paper.

INTERIM RESULTS

Based on extensive consultations with jurisdictions, the draft discussion paper, produced in the spring of 2006, it recognized that viable communities must be competitive communities and identified common priority areas for action. IGWG generally supported the paper and sought a basis for moving forward on concrete actions. After further consultations, the Minerals and Metals Sector drafted a proposed Mines Ministers’ Federal-Provincial-Territorial (FPT) Framework for Action and presented it to FPT Mines Deputy Ministers at a meeting in Québec City in June 2006. Deputies specified that, in the short term, projects would involve little or no costs while, on a parallel but longer-term track, a broader strategy would be pursued. The proposed FPT Framework for Action supports the goal of competitiveness by taking action in three priority areas, namely: innovation, investment climate, and capacity and skills. Jurisdictions are advancing projects that directly target the competitiveness of mining communities. This initiative constitutes a renewal of the FPT mines relationship.

RECOMMENDATION

Ministers approve the proposed Mines Ministers’ FPT Framework for Action.