



CONFÉRENCE DES MINISTRES  
DES MINES ET DE L'ÉNERGIE



MINES AND ENERGY  
MINISTERS CONFERENCE

## Federal, Provincial and Territorial Mines Ministers' Conference

*Québec City  
September 10, 2001*

### *Partners Committed to the Growth of the Mining and Mineral Exploration Industries and Regional Economic Development in Canada*

Building on the open and productive dialogue with representatives of the mining and mineral exploration industries, Mines Ministers agreed to work together to improve the prevailing business climate in Canada.

Bearing in mind the exclusive jurisdiction of each province in managing and developing its natural resources and regulating securities trading, and being mindful of the decisions taken during previous Mines Ministers' Conferences, Ministers reiterated their commitment to act in their respective jurisdictions to promote the growth of the mining industry as well as sustainable development in all resource regions across Canada.

Ministers agreed that the globalization of markets and the integration of economies are increasing the need for provincial, territorial and federal governments to work in close collaboration to ensure that appropriate policy and programme measures will be taken by each jurisdiction, in partnership with industry.

In the coming year, Ministers will focus their attention on the following issues: corporate and industry performance; mineral exploration funding; orphaned and abandoned mine site rehabilitation; gold sector support; cooperative geoscience mapping strategies; Aboriginal-industry partnerships; the regulatory regime; and access to international markets.



## **Corporate and industry performance**

Ministers were pleased to take note of the industry presentations which highlighted industry's concerns with respect to the global economic situation.

Ministers agreed on the importance of providing the mining industry with the same federal tax advantages as those granted to other sectors.

Provincial and territorial ministers expressed the need for a reduction in the federal corporate tax rate for the mining sector, in keeping with recent reductions for other industrial sectors. Ministers mentioned that this reduction should not affect any specific allowances currently granted to the industry with regard to the particular nature of the sector such as the resource allowance and accelerated depreciation.

The Minister of Natural Resources Canada undertook to inform his colleague, the Minister of Finance, about this matter.

In addition, Ministers agreed to examine, together with their respective Finance Ministers, other fiscal measures applicable to the mining industry, such as reducing capital taxes and broadening tax credits for research and development to include process related innovations, with a view of promoting investment and creating jobs in all resource regions.

## **Mineral exploration funding**

Ministers shared industry's concerns regarding the chronic weakness in the exploration industry across Canada, and expressed concern about its impact on the survival of several mining communities.

Ministers recognised that the fiscal and budgetary measures announced by various governments since the last Mines Ministers' Conference have not yet succeeded in halting the decline in exploration activity. Ministers therefore asked that a tax working group be established under the auspices of the Intergovernmental Working Group on the Mineral Industry (IGWG), in order to evaluate the effectiveness of the federal Investment Tax Credit for Exploration linked to flow-through shares and other measures, and to report back at the next Mines Ministers' Conference.

Ministers will also continue to evaluate other complementary measures to promote exploration investment in their respective jurisdictions.

## **Orphaned and abandoned mine site rehabilitation**

Ministers agreed on the importance of implementing, over the short term, a large-scale programme for rehabilitating orphaned and abandoned mine sites.

Ministers were encouraged by the interest and leadership shown by industry in this regard, and acknowledged that the scope of the task at hand will require the participation of all stakeholders, both private and public.

Therefore, Ministers asked that a multi-stakeholder advisory committee be established to study various issues and initiatives pertaining to the development of partnerships in the implementation of remediation programs across Canada. While recognizing that each jurisdiction will develop its own implementation strategy, the advisory committee will report on options for funding models and mechanisms including the financial participation of industry and federal, provincial and territorial governments, legislative barriers to collaboration, and appropriate community involvement in decision-making. Ministers requested a report on these issues at their next Conference.

## Gold sector support

Reflecting on the significance of the gold sector in the mining industry across Canada, Ministers mandated the joint government-industry task force on gold to:

- \* Investigate opportunities to support or participate in the pursuit of research and development into new uses for gold;
- \* Develop a promotional strategy with a view to producing gold items bearing an emblem of each jurisdiction that could be presented to dignitaries; and
- \* Evaluate Canada's gold sales policy with respect to its impact on regional economic development across Canada, inviting Finance Canada to participate.

The Minister of Natural Resources Canada has agreed to consult with his colleague, the Minister of Finance, on the results of recent studies assessing the impact of gold sales by the central banks and other financial institutions on the gold market.

## Cooperative geoscience mapping strategies

Ministers were unanimous in their wish for greater government investments in order to sustain and enhance geo-scientific knowledge. Indeed, Ministers believed that knowledge of mineral potential is a powerful competitive advantage that can attract substantial investments to resource regions.

Thus, provincial and territorial Ministers will continue their approaches within their jurisdictions, in order to obtain the provincial/territorial funding necessary to implement their respective cooperative geoscience mapping strategies. By way of follow-up to previous decisions in this area, the Minister of Natural Resources Canada will continue to explore a number of options aimed at securing the corresponding federal funding needed to make the cooperative geoscience mapping strategies a reality.

## Aboriginal-Industry partnerships

Acknowledging that mineral development activity offers an important opportunity to associate Aboriginal communities with regional economic development, Ministers endorsed the development of regional multi-stakeholder working groups, adapted to the needs of each province and territory, with a view to creating strategies to develop partnerships that reflect specific requirements of each jurisdiction.

Ministers also invited Aboriginal representatives and industry to play a leadership role amongst stakeholders, in continuing the work in creating partnerships, and to report on their progress at the next Mines Ministers' Conference.

## **The Regulatory Regime**

With regard to the concerns raised by industry about the current regulatory regime, particularly Coast Guard user fees, Metal Mining Effluent Regulations, securities trading and road salt regulations, Ministers agreed on the importance of working in partnership to improve the competitive business climate in Canada.

Therefore, Ministers directed officials to examine specific issues, in their respective jurisdictions, in partnership with industry associations and all other interested parties, to develop proposals for alleviating any perceived or actual adverse effects on the exploration and mining industries in Canada.

Ministers wished that swift progress be achieved in this regard and that industry indicate its viewpoint at the next Conference.

## **Access to international markets**

Ministers shared the concerns expressed by industry in terms of the negative consequences, to both the industry and the viability of mining communities across Canada, of barriers to international market access for minerals and metals products.

Therefore, Ministers supported the promotion of the safe use of mineral products, and consider that any regulations on their use must be based on sound, scientific knowledge of their effects, including those of their possible substitutes.

Ministers agreed, in their respective jurisdictions, to work in co-operation with industry and each other, to improve access to international markets, through efforts aimed at promoting the safe use of mineral substances around the world.

## **Next meeting**

Ministers accepted Manitoba's invitation to hold the 59th Mines Ministers' Conference in Winnipeg, September 15 to 18, 2002.