



2004 Mines Ministers' Conference

Action Plan 2004

As with previous Mines Ministers' Conferences, the 2004 meeting in Iqaluit succeeded in providing a forum for open and frank discussions between federal/provincial/territorial (F/P/T) Mines Ministers and other stakeholders on issues of common interest.

Ministers were pleased with the high quality of content discussed at the meeting and congratulated the committee on a well-organized conference.

During the open session, industry and stakeholder representatives presented their views on numerous subjects of interest, such as:

- the importance of the contribution of mining in all regions of Canada;
- the depletion of base-metal reserves in Canada;
- the necessity of a competitive, efficient and effective mineral taxation regime across Canada (including extending the Super-Flow-Through Shares program, modernization of the definition of "Canadian Exploration Expenses" and increasing the federal Investment Tax Credit for Exploration not linked to flow-through shares);
- the creation of a fair and efficient regulatory environment;
- the encouragement of increased cooperation between F/P/T mines departments and the federal Department of Fisheries and Oceans;
- the creation of a single securities regulator in Canada;
- the recycling of metals;
- the potential impact of the implementation of the Kyoto Protocol on the mining industry;
- the development of a National Diamond Strategy;
- the funding for geoscience initiatives;
- the map-staking process;
- the contribution of mining to economic development in Aboriginal communities;
- the development of infrastructure in Canada's North; and
- the contribution of mining as a catalyst for education in Aboriginal communities.

The Status Report on the Action Plan for the 2003 conference included recommendations in the following areas:

- fiscal and taxation policy;
- orphaned and abandoned mine sites;
- Aboriginal-industry partnerships;
- growth and diversity of the diamond industry; and
- cooperative geological mapping strategies.

In the closed session, these topics were addressed and Ministers agreed upon the following action items:

Fiscal and Taxation Policy

Provincial and territorial ministers agreed to continue to consult with their respective Finance colleagues on the effect of the federal tax changes on their mining tax regimes in order to avoid any unintended increase or decrease in taxes paid by the mineral industry. It was recognized that the transition period for the phase-in of the federal tax changes is at its mid-point, lending some urgency to the issue.

Ministers asked that the Intergovernmental Working Group on the Mineral Industry (IGWG) Sub-Committee on Taxation Issues continue to provide analysis and advice to Ministers on fiscal and taxation issues that remain of concern. The mandate of the sub-committee



is accordingly extended until the end of the transition period for fiscal tax reform in 2007.

Orphaned and Abandoned Mine-Site Rehabilitation

Ministers agreed to approach Environment Canada to seek program funds as part of the recently announced funding for contaminated sites, specifically for the development of F/P/T cost-sharing arrangements for the remediation of orphaned/abandoned mines.

Ministers agreed to proceed with the guidelines for legislative review tabled by the National Orphaned/Abandoned Mines Initiative (NOAMI) and instructed their respective ministries to complete the review and report results back.

Ministers agreed to support the ongoing activities of NOAMI as outlined in their detailed work plan (2003).¹

Cooperative Geological Mapping Strategies

Ministers endorsed the Implementation Plan for the Cooperative Geological Mapping Strategies across Canada.

Ministers agreed to work towards making the Cooperative Geological Mapping Strategies across Canada a reality.

Aboriginal Issues at MMC

Ministers agreed that Aboriginal issues will be an agenda item at all future Mines Ministers' Conferences.

Ministers mandated the re-activation of the IGWG Sub-Committee on Aboriginal Participation in the Mineral Industry. Ministers asked that the sub-committee look at the issue of meeting the future work force demands of the industry as a priority.

¹ Last year, Ministers endorsed the continuation of NOAMI activities so long as human and financial resources permit.

NEW INITIATIVE

In addition to the action items based on the recommendations from 2003, Ministers agreed upon the following new initiative:

Financial Surety

Ministers mandated the Directors of Mines Sub-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 Ministers' Conference.

Regulatory Process

Ministers heard an urgent call from the mineral industry for an improved regulatory framework that is consistent, timely, predictable, early staged, effective in protecting the environment, and coordinated with provincial and territorial regulatory approval processes. Toward that end, provincial and territorial ministers called for federal regulatory agencies, including the Department of Fisheries and Oceans, Environment Canada, the Canadian Nuclear Safety Commission, and Transport Canada, to formally engage industry, the provinces and territories in designing and implementing a process to achieve these goals.

Next Year's Meeting in ST. ANDREWS, NEW BRUNSWICK

Ministers accepted the invitation delivered by Minister Bruce Fitch to convene September 18-20, 2005, for the 62nd Mines Ministers' Conference. (see www.gnb.ca/conference)

