
The Mineral Industry in Uncertain Times



The Mining Association of Canada
L'Association minière du Canada



Mining Day on the Hill
November 18, 2008

Who we are



- **The Mining Association of Canada (MAC) is the national organization of the Canadian mining industry**

Members are:

- Engaged in mineral exploration, mining, smelting and refining and semi-fabrication
- Account for the majority of Canada's output of minerals and metals
- Represent 'seniors' or producers of minerals and metals
- Produce base, precious and ferrous metals, iron ore, diamonds, oil sands, metallurgical coal, and uranium
- Recipient – 2005 Globe Award for Environmental Performance

- **Prospectors and Developers Association (PDAC) represents the interests of the Canadian mineral exploration and development industry.**

Members include:

- 6,000 individual members (including prospectors, developers, geoscientists, consultants, mining executives, and students, as well as those involved in the drilling, financial, investment, legal and other support fields)
- 950 corporate members (including senior, mid-size and junior mining companies and organizations providing services to the mineral industry)

Impacts of Uncertain Times



- Recent worldwide economic events have begun to impact the sector
 - Access to capital is almost impossible
 - Exploration has become a discretionary expenditure
 - BRIC Slowdown impacting demand and commodity prices
 - Every project and capital expenditure by the industry is under review
 - Mine closures
 - Recession/ Short term?
- Environmental challenges and “social license” issues
- Aboriginal and northern issues
- Industry very active internationally, with associated challenges

The important contribution of the industry should not be overlooked. We have to collectively manage our way through the current challenges



What's at Stake: Contribution to the Economy



Sector	Contribution
Contribution to GDP	\$41.9 B
Capital Expenditures	\$25 B
Contribution to Exports	\$80.7 B
Mining industry payments to governments	\$10 B (2006)
Exploration Expenditures in Canada	\$2.6 B
Percentage of Total Exports	19.2%
Direct Employment	363,000
Average Weekly Earnings	\$1,213
Percentage Rail Revenue Freight	55%
Number of mining establishments	766
Companies listed on TSX	1,373

2007, Facts and Figures



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What's at Stake: Global Influence



Exploration

- Canada host to 19% of world's spending, Australia 11%, US 8%.
- 60% of the world's mineral exploration companies are Canadian

Trade and Investment

- \$83B - represents 19% of Canadian goods exports in 2007
- Canadian Direct Investment Abroad:
 - 2006: \$62B
 - 2007: \$54B
- Foreign Direct investment in Canada:
 - 2006: \$38B in FDIC
 - 2007: \$65B in FDIC

Capital

- 35% of worldwide mining equity was raised via TSX in 2007.
- Some 4,900 mineral projects of TSX-listed companies are located outside Canada

Social Responsibility

- Leadership in CSR practices with Towards Sustainable Mining (TSM) and company investments



Setting the Stage for Recovery



- **Competitiveness and Regulatory Efficiency :**
 - Stay the course on improving the investment climate
 - Commitment to corporate tax reduction to 15%
 - Commitment to regulatory review (Major Project Management Office), and implementation of the Northern Regulatory Improvement Initiative
 - Investment in Geoscience such as the Geo-mapping for Energy and Minerals (GEM)
- **Climate Change/Clean Air**
 - Regulations for Air Pollutants and Greenhouse Gas Emissions that are efficient and effective, without duplication between jurisdictions and set achievable targets



Setting the stage for Recovery



- **Aboriginal Relations**

- A clear approach by governments on consultation and accommodation of First Nations
- Efficient resolution of First Nation land claims
- Strategy to encourage Aboriginal participation in mining.

- **Investment in Infrastructure and Transportation**

- Strategic investment can open up new regions for investment

- **Human Resources**

- Support the Mining Industry Human Resource Sector Council in addressing human resource challenge in the coming decade

Thank You!



Thank you for meeting with our Mining Day on the Hill delegation.

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