

MINING WORKS FOR CANADA

L'INDUSTRIE MINIÈRE PARTENAIRE DE DÉVELOPPEMENT



KNOWLEDGE
Cooperative
Geological Mapping
Strategies



ECONOMY
Laying the foundation
for a strong and
competitive
economy



COMMUNITY
Syncrude:
Highlighting 30
years of progress

ECONOMY

Laying the foundation for a strong and competitive economy

Canada faces many challenges, including the need to improve our productivity, the impact of the record appreciation of the Canadian dollar on trade, and numerous geopolitical tensions around the world. Our current ability to address these challenges is fundamentally related to the fiscal progress that Canada has achieved over the past decade.

The Mining Association of Canada supports the recent target established by the federal government to reduce the federal debt-to-GDP ratio from its current level of 41 percent to 25 percent by 2013. A renewed commitment to debt reduction will increase the share of budgetary revenues that can be safely directed towards increasing our standard of living and quality of life.

By creating a competitive tax and regulatory system, Canada can open the door to creating a more competitive nation that is able to attract investment, create jobs, and foster business and wealth creation.

A comment regarding Budget 2005 from the President of the Mining Association of Canada:
*Gordon Peeling,
President and CEO*

The federal government has taken an important step in building a competitive tax system by reducing the rate of corporate tax for all sectors of

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ÉCONOMIE

Jeter les bases d'une économie vigoureuse et concurrentielle



Le Canada est confronté à de nombreux défis, dont le besoin d'améliorer sa productivité, les incidences de l'appréciation record du dollar canadien sur le commerce et les innombrables tensions géopolitiques qui s'exercent à l'échelle mondiale. Notre capacité actuelle de relever ces défis est étroitement liée aux progrès financiers accomplis par notre pays au cours de la dernière décennie.

L'Association minière du Canada appuie le récent objectif du gouvernement fédéral de ramener le ratio de la dette fédérale au PIB de 41 pour cent, tel qu'il s'établit actuellement, à 25 pour cent d'ici 2013. En renouvelant son engagement en faveur de la réduction de la dette, le gouvernement accroîtra la part de ses revenus

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Quick Facts

4%

On average, over the past twenty years, the minerals and metals industry contribution to Canadian GDP has been 4.0 percent.

\$838 800 000

For every \$1 billion in output created by the mining, smelting and refining industry, direct demand for goods and services rises by \$615 million, with significant second and third round multipliers increasing demand to \$838.8 million.

73%

In 2003, mining goods accounted for 73% of total volume handled at Canadian ports and about 61% of total rail freight revenue.

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the Canadian economy. However, as we strive to increase our share of global investment, these measures should be viewed as the first phase of creating a clear competitive advantage.

To build a more favorable investment climate, the federal government should:

- Minimize the corporate income tax gap between resource industries and other industrial sectors during the remaining phase-in period
- Communicate a scheduled plan to reduce the corporate income tax rate from 21 percent to 17 percent for all industrial sectors
- Immediately eliminate the federal tax on capital to stimulate investment, technology and innovation.

The Mining Association of Canada maintains that the federal assurance required for stable economic growth and international competitiveness is continued policies of fiscal prudence and the dedication of modest budget surpluses to tax and debt reduction. Over the longer term, Canada must continue to focus on maintaining a competitive industrial base by ensuring that its taxation and regulatory regimes are efficient and sensitive to global competition. Doing so will help attract investment to Canada, stimulate exploration, and maintain the mining industry's significant direct and indirect contribution to the Canadian economy.

For a copy of MAC's submission to the Finance Committee please contact miningworks@mining.ca.

A knowledge base that is continually expanding contributes to a better understanding of the underlying geology

THIS QUARTERLY BULLETIN
THE MINING COMMUNITY
AND ALSO OF MINING WORKERS

KNOWLEDGE

Cooperative Geological Mapping Strategies (CGMS)

In today's global economy, a modern, accessible public geoscience knowledge base is recognized as a key competitive advantage in profiling a jurisdiction's geological potential and in attracting investment in mineral exploration and development.

A knowledge base that is continually expanding contributes to a better understanding of the underlying geology, revealing areas of new mineral potential in areas that have been under explored to date and creating new targets in areas of known mineral potential and existing mining camps. An active exploration sector can lead to the discovery of economic mineral deposits and in turn the development of new mines. Clusters of economic activity in support of exploration and mining attract talent and encourage the development and deployment of new technologies.

"Federal investment programs in geoscience such as the Targeted Geoscience Initiative (TGI) have proven beneficial, but these initiatives are due to expire," said Tony Andrews, Executive Director, Prospectors and Developers Association of Canada. "With renewed investment in geoscience through funding for the *Cooperative Geological*



IS DESIGNED TO INFORM FEDERAL DECISION-MAKERS AND Y OF CURRENT FEDERAL POLICY ISSUES AND DEVELOPMENTS ORKS FOR CANADA PROGRAM ACTIVITIES.

Mapping Strategies (CGMS), the federal government can ensure Canada's competitive position for global exploration dollars and in turn affect long-term employment and sustained prosperity through informed resource development and land use decisions."

The CGMS is a long-term strategy developed by federal, provincial and territorial governments as the proposed follow-on to the successful Targeted Geoscience Initiative (TGI), which is scheduled to end in March, 2005.

While promoting a competitive investment climate for resource exploration across Canada through informed policy and land-use decisions, the CGMS implementation plan focuses on three principal strategic outcomes:

- A secure energy supply for Canada
- Prosperous resource-based communities
- New economic development opportunities in frontier areas

CGMS will provide the public geoscience knowledge required to refine the exploration models for minerals, metals, oil and gas; maintain Canada's competitive advantage in attracting private sector exploration investment; improve the effectiveness of exploration programs; support environmentally responsible land-use decision-making; and deliver on the government's objectives to create a globally competitive economy, spur northern development and improve the opportunities of Aboriginal Canadians.

The mining industry recommends that the federal government renew its commitment to geoscience by implementing the CGMS developed by Natural Resources Canada, Indian and Northern Affairs Canada and provincial and territorial officials and commit to a total incremental investment requirement of \$25 million per year over ten years.

For additional information please contact miningworks@mining.ca.



"Lora Cardinal is a second-year electrical apprentice working with a local contractor in Fort McMurray, Alberta. A participant in the Registered Apprenticeship Program, Lora also apprenticed at Syncrude and was named Female Youth Role Model of the Year at the Regional Aboriginal Recognition Awards."

COMMUNITY

Syncrude: Highlighting 30 years of progress

For 30 years, Syncrude has worked to develop a strong relationship with Aboriginal stakeholders and has recently released a report documenting that relationship. The extensive publication focuses on six key areas – corporate leadership, employment, business development, education, community development and the environment.

"Even before Syncrude began producing oil in 1978, we knew that Aboriginal people are integral stakeholders in the development of the oil sands," said President and Chief Operating Officer Jim Carter. "Not only do they have the right to be consulted about decisions that could impact them, they also have the right to share in the socio-economic benefits created by our operation. Syncrude's Aboriginal Review outlines how we're living up to those commitments by working together with these key stakeholders."

Some of the highlights of Syncrude's commitment to Aboriginal capacity building include:

- employment of 1,300 Aboriginal people directly or through its contractors
- more than \$90 million in business volume with 27 Aboriginal companies, totaling more than \$600 million in the past 12 years
- investment of more than \$400,000 in early intervention literacy programs

Syncrude is one of only two companies in Canada to achieve gold-level status in the Progressive Aboriginal Relations (PAR) program, managed by the Canadian Council for Aboriginal Business. The 2003–2004 Syncrude Aboriginal Review is available on the company's web site at www.syncrude.com as well as by calling 1-800-667-9494.



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budgétaires qu'il pourra consacrer sans crainte à l'amélioration de notre niveau de vie et de notre qualité de vie.

En créant un régime fiscal et réglementaire concurrentiel, le Canada peut favoriser l'édification d'une économie plus compétitive apte à attirer des investissements, à créer des emplois et à favoriser les perspectives d'affaires et la création de la richesse.

Le gouvernement fédéral a fait un grand pas vers la création d'un régime fiscal plus concurrentiel lorsqu'il a réduit le taux d'imposition des sociétés pour tous les secteurs de l'économie canadienne. Cependant, dans le cadre de nos efforts pour accroître notre part des investissements mondiaux, cette mesure doit être perçue comme la première étape de nos efforts pour améliorer notre capacité concurrentielle.

Pour créer un climat plus favorable aux investissements, le gouvernement fédéral devrait :

- minimiser l'écart entre les impôts versés par les sociétés du secteur des ressources et ceux payés par les entreprises des autres secteurs industriels pendant le reste de la période d'introduction progressive;
- faire état d'un échéancier pour réduire le taux d'imposition des sociétés de 21 à 17 pour cent pour l'ensemble des secteurs industriels;
- éliminer immédiatement l'impôt fédéral sur le capital pour stimuler les investissements, la recherche technologique et l'innovation.

L'Association minière du Canada soutient que pour l'administration fédérale, l'assurance d'une croissance

Observations du président de l'Association minière du Canada à propos du Budget 2005 :
Gordon Peeling,
président et chef de la direction

économique stable et de la compétitivité internationale passe par le maintien de politiques de prudence en matière financière et de

Pour créer un climat plus favorable aux investissements, le gouvernement devrait éliminer l'impôt fédéral sur le capital pour stimuler les investissements, la recherche technologique et l'innovation.



l'utilisation des modestes surplus budgétaires pour réduire l'impôt et la dette. À plus long terme, le Canada doit poursuivre ses efforts pour maintenir une assise industrielle concurrentielle en faisant en sorte que son régime fiscal et réglementaire soit efficient et sensible à la concurrence internationale. Ces mesures permettront d'attirer des investissements au Canada, de stimuler l'exploration et de faire en sorte que le secteur minier continue d'apporter une importante contribution directe et indirecte à l'économie canadienne.

Pour obtenir un exemplaire de la présentation de l'AMC au Comité des finances, contactez miningworks@mining.ca.

Upcoming Events

Speakers Series:

Parliamentary Luncheon with Eira Thomas, President and CEO of Stornoway, discussing diamonds, exploration and mining.

February 24, 2005, Ottawa, Ontario

Industry Events:

Prospectors and Developers Association Conference

March 6-9, 2005, Toronto, Ontario

CIM: Mining in Society Show – learn more about the integral role the minerals industry plays in society.

April 24-26, 2005, Toronto, Ontario

For more information on these events contact mpapoulias@mining.ca.



How to Contact Us

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