

Global Exploration and Mining: A Canadian Perspective

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President

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8th FEM - 2011

Levi, Finland

November 1, 2011

Prospectors and Developers Association of Canada (PDAC)

Representing Canada's mineral exploration and development industry since 1932

Membership: Canada and worldwide

Over 1,100 corporate and 7,695 individual members

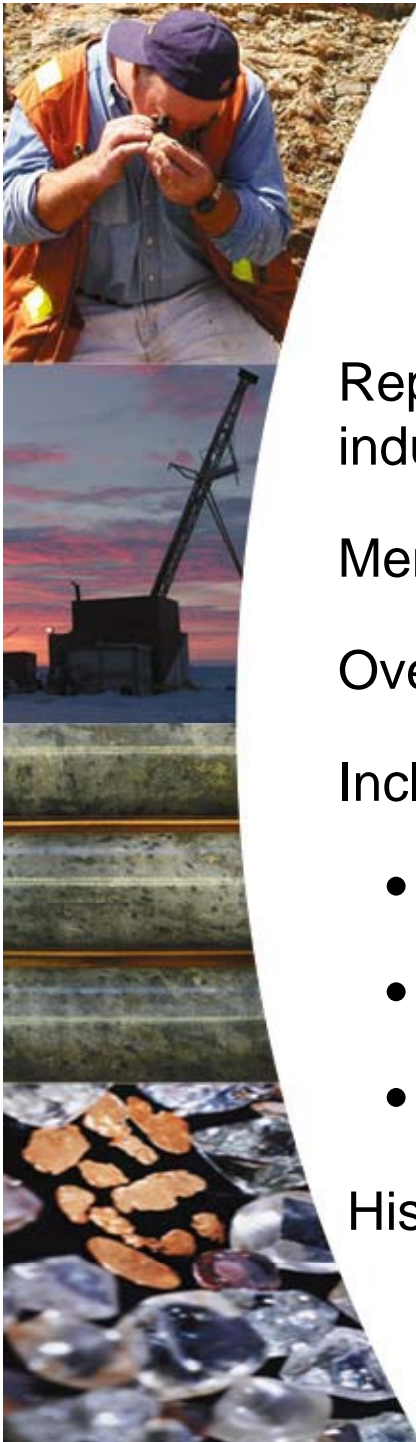
Including:

- Exploration and mining companies
- Service and equipment suppliers
- Students

Historic MOU with Assembly of First Nations



Assembly of First Nations
National Chief Shawn Atleo



PDAC Member Services

Advocacy

Leading Practices:



A Framework for
Responsible Exploration

Education: *Mining Matters*

Knowledge/Information





PDAC Convention 2012

**International Convention, Trade Show
& Investors Exchange – Mining Investment Show**
March 4-7, 2012, Toronto, Canada

- Technical sessions, short courses and workshops
- Trade show and Investors Exchange
- Aboriginal participation program
- CSR Sessions
- Student Program

PDAC2012

International Convention, Trade Show
& Investors Exchange - Mining Investment Show
March 4-7, 2012, Toronto, Canada
Metro Toronto Convention Centre - South Building

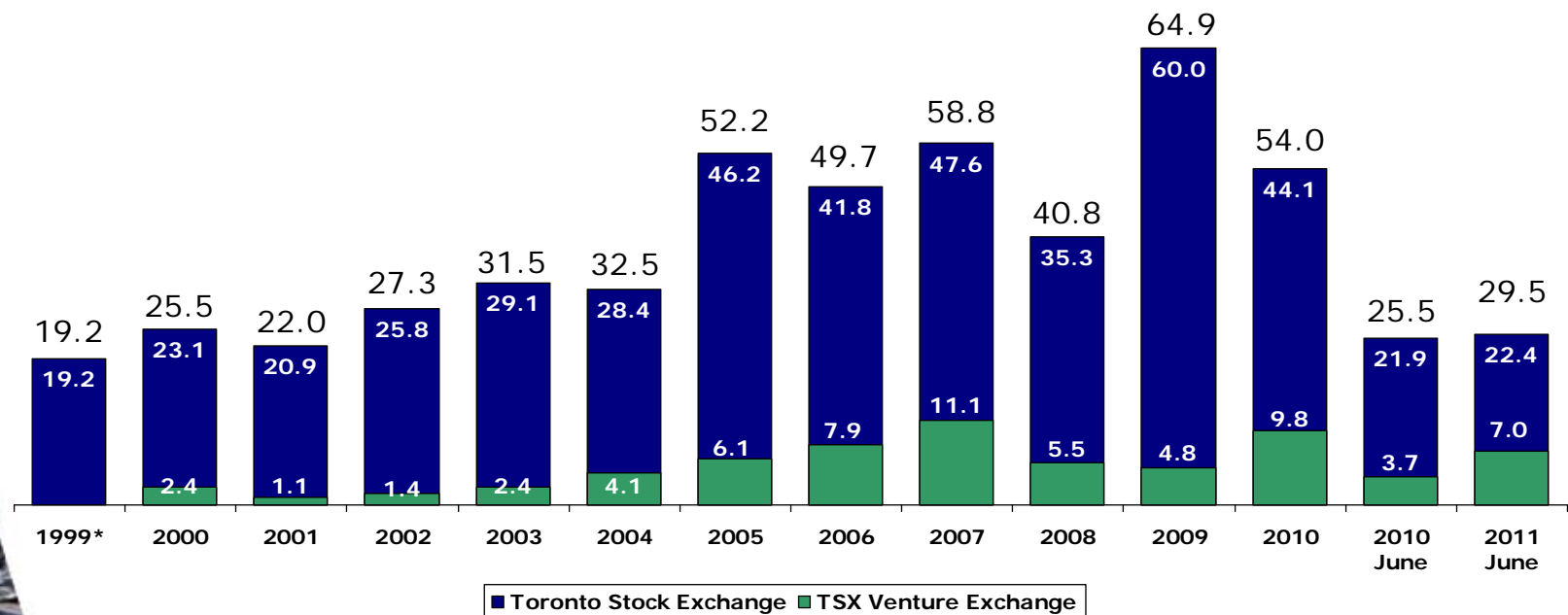
Fundamentals

- Good geology/Effective government mapping program
- Stable government (low country risk)
- Access to land and security of tenure (transparency)
- Regulation: predictable permitting, land use planning
- Fair and supportive taxation
- Reasonable environmental regulation
- Infrastructure
- Educated and skilled labour force
- Access to capital markets (financing)



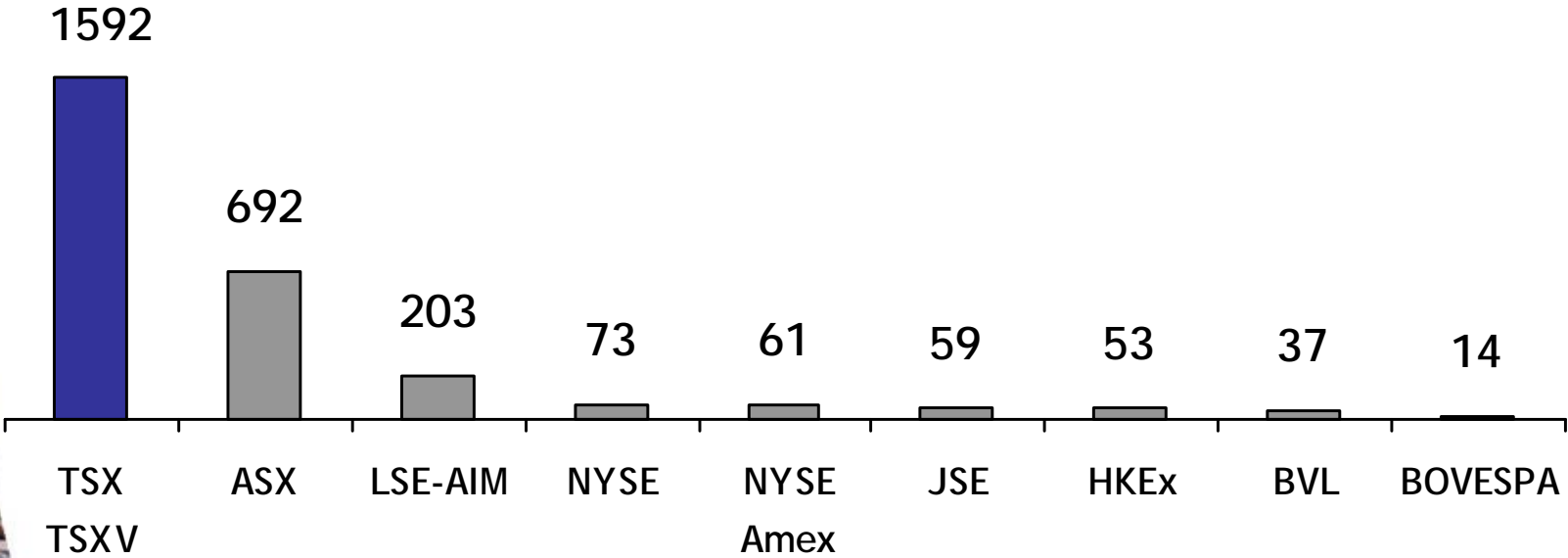
Access to Capital Markets

Toronto Stock Exchange and TSX Venture Exchange
Total Financings (CAD\$Billions) 1999 to June 2011

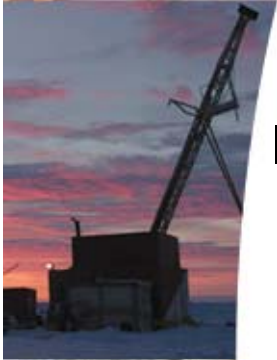


Capital Markets are Essential

The TSX & TSXV list the most mining companies in the world

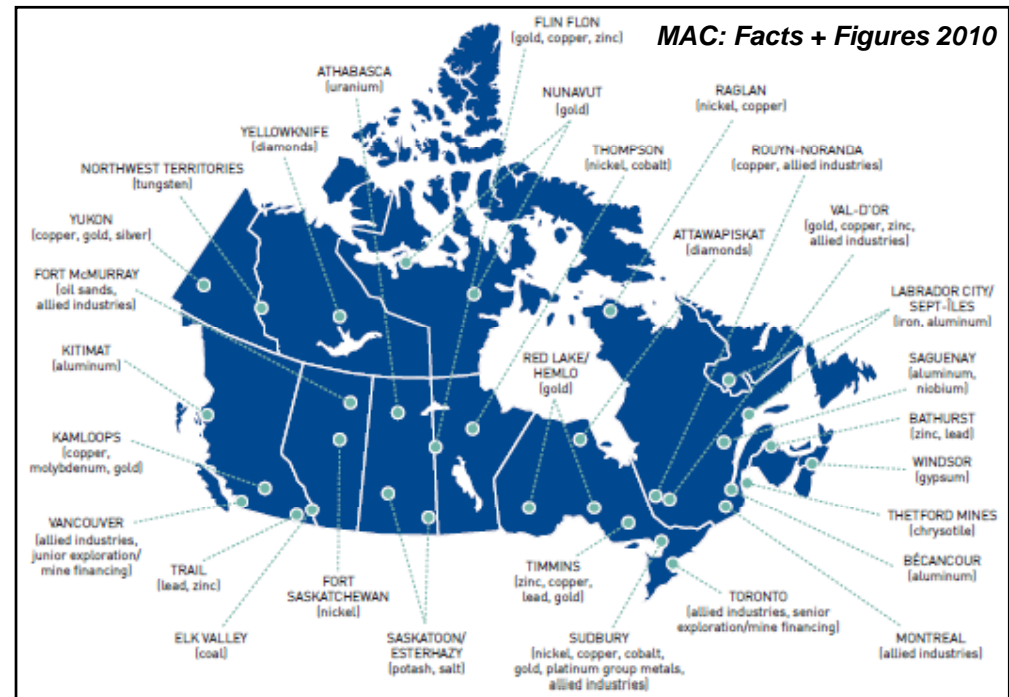


Canadian Mining Industry Economic Impact



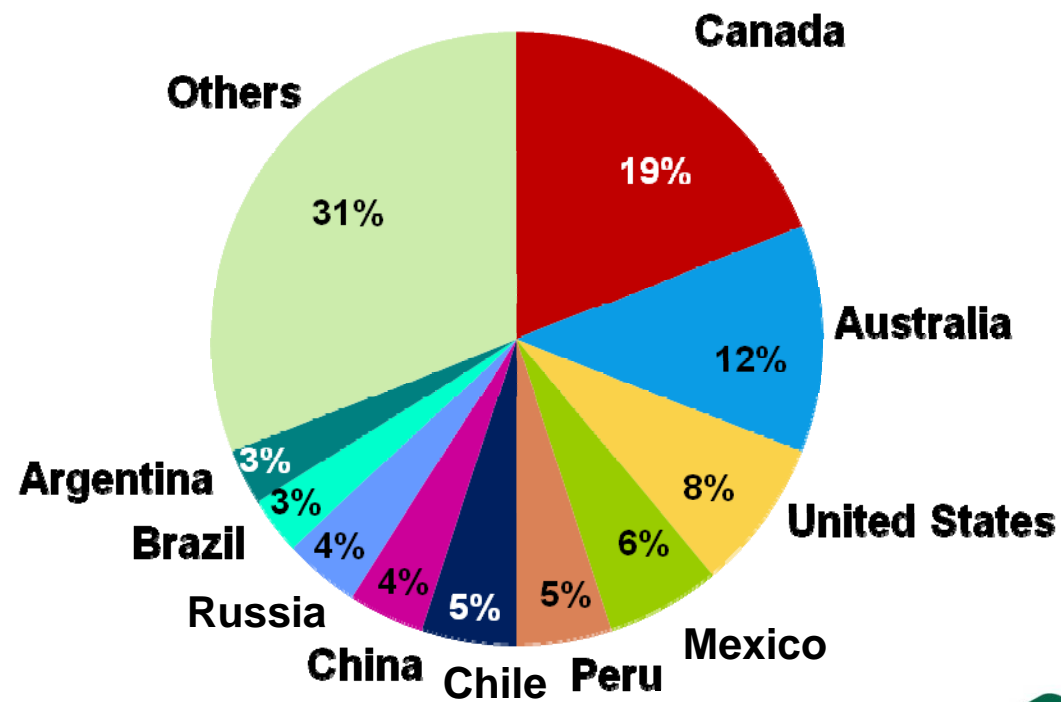
In 2010:

- **\$35 billion** to GDP
- **308,000** workers
- **\$8.5 billion** in royalties, taxes to Canadian governments
- world's second largest mining supply sector



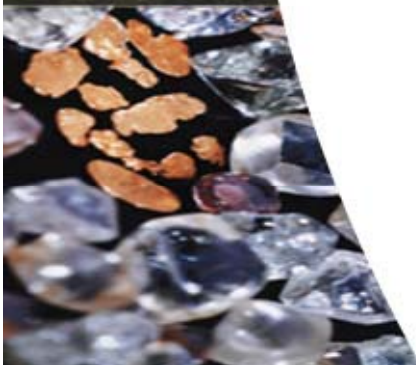
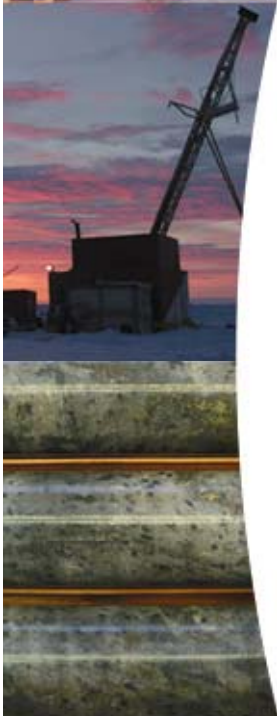
Global Exploration in 2010 & Flow Through Shares

Exploration budgets for Top 10 countries



Source: *Metals Economics Group*





Location of potential new discoveries in 2010



“Below Ground” Challenges

- metals supply not meeting demands
- technical issues related to buried/deeper deposits
 - mines are getting bigger at lower grades
- more difficult / unexplored terrain
 - access and infrastructure issues
- Worldwide labour supply challenges



Challenges “Above Ground”

World Leaders in Corporate Social Responsibility (CSR)

- Community Engagement
 - Aboriginal Consultation
- Health and Safety
 - Continue to Improve
- Environmental





Challenges “Above Ground”

The biggest risk faced by mining and metals companies around the world:

- Resource Nationalism/Country Risk

Brazil Venezuela Bolivia Peru Chile ...

Australia Canada Russia India ...

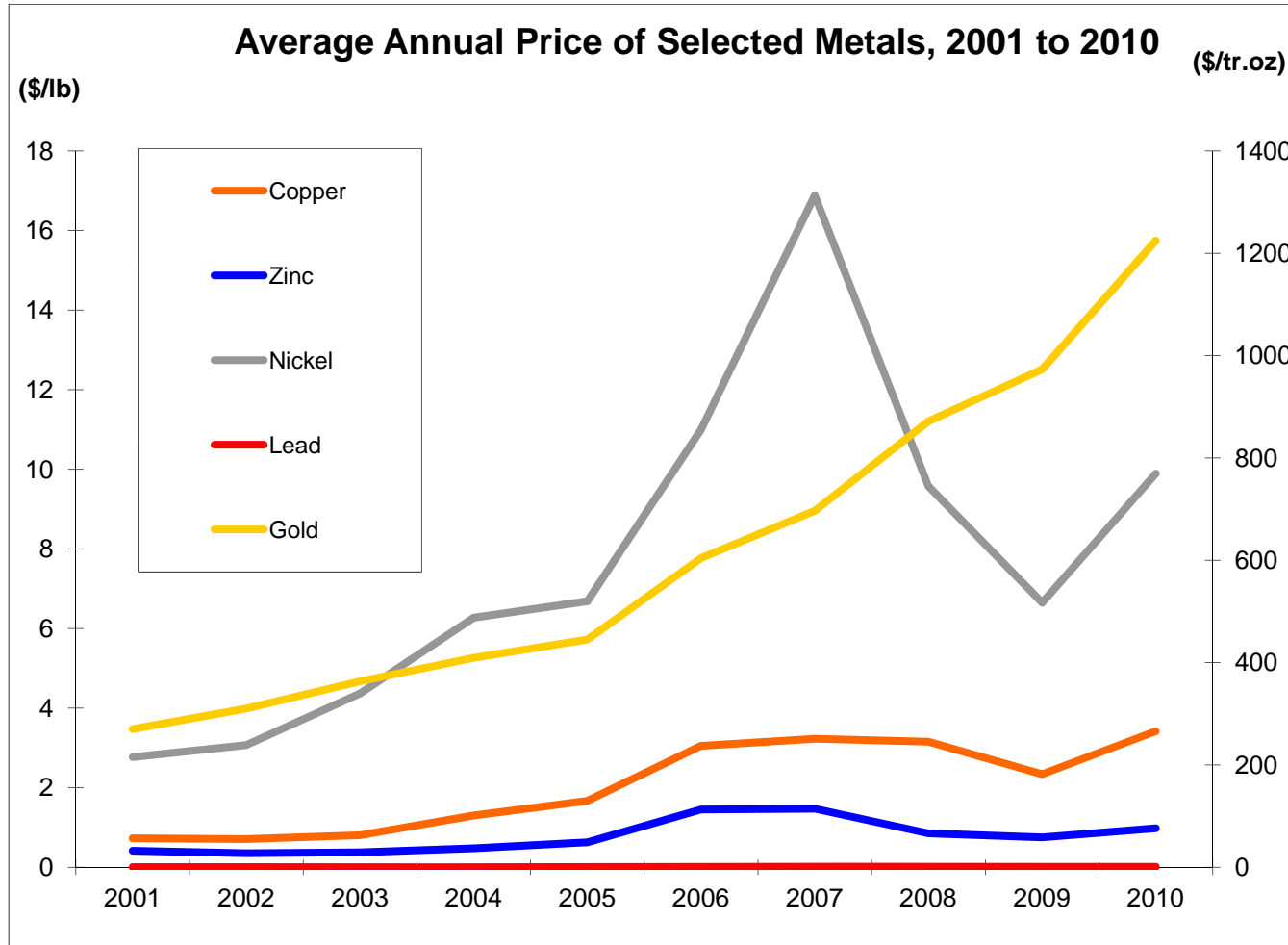
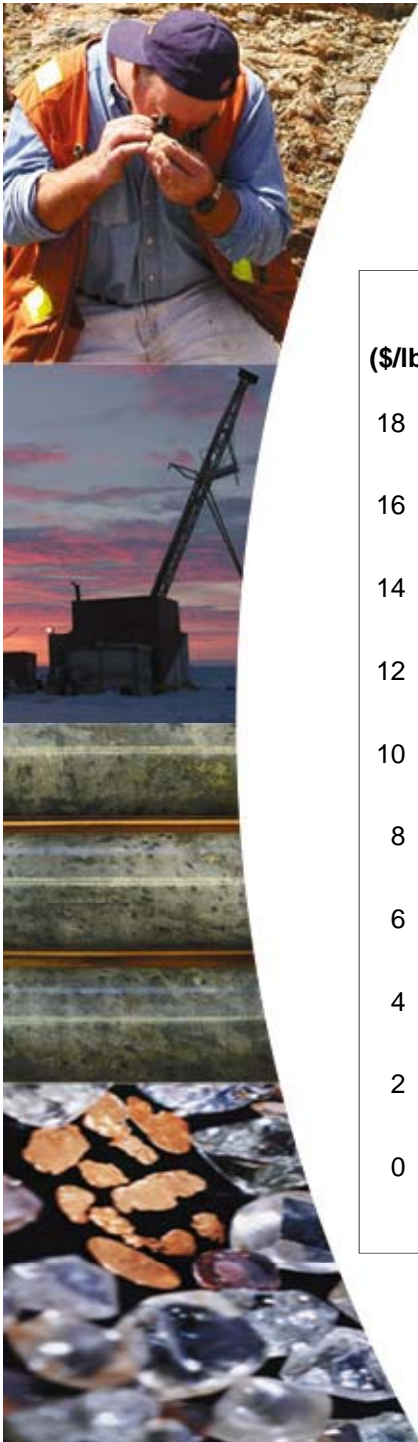
Zimbabwe, Guinea, South Africa ...

Globalization

- Stock Market Mergers
- Acquisition vs. Organic Growth
- Shifting focus offshore



Resource Dependency



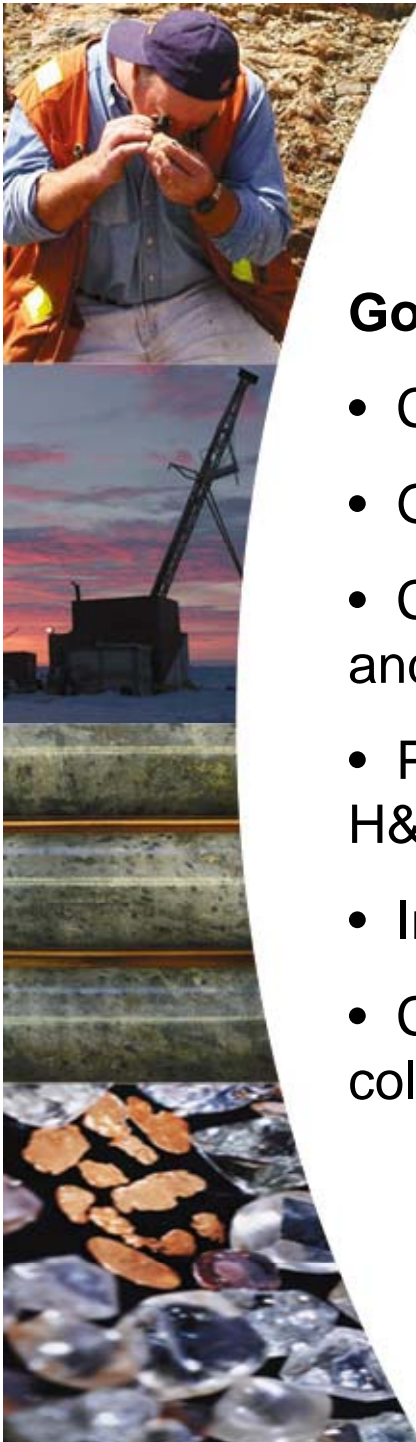
Public Perception on Mining's Impact & Benefits



Addressing the Challenges

Government and Industry Initiatives:

- Canadian Government has developed a CSR strategy
- G8 call for transparency and sustainable growth
- Companies integrating CSR into their projects, organizations and policies
- PDAC programs: e3Plus; Aboriginal programs; Convention; H&S Monitoring and Tracking
- Integration of CSR topics into geoscience curricula
- Canadian Mining Innovation Council working on long-range collaboration in industry



Conclusions

Canada's mining success is built on:

- Strong junior exploration sector
- Strong fundamentals
- Supportive tax regime - including Flow-Through Shares

But the game is changing. Mineral exploration has become globally competitive and faces new and shifting challenges.

But as the risks increase, so does the potential reward.

Countries that continue to foster the exploration industry with supportive policies will reap tremendous benefits.





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