



*MiningWatch Canada*

**ANNUAL REPORT  
2000**

### ***Members in 2000***

Canadian Arctic Resources Committee  
Canadian Auto Workers Social Justice Fund  
Canadian Environmental Law Association  
Canadian Nature Federation  
Canadian Parks and Wilderness Society  
Citizens' Mining Council of Newfoundland  
Environmental Mining Council of British Columbia  
Innu Nation  
Inter Pares  
Northwatch  
Task Force on the Churches and Corporate Responsibility  
Yukon Conservation Society



MiningWatch Canada staff, from left to right: Research Coordinator Catherine Coumans, National Coordinator Joan Kuyek, and Communications Coordinator Jamie Kneen



**MiningWatch Canada**

**Mines Alertes**

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## **MiningWatch Canada**

MiningWatch Canada (MWC) is a pan-Canadian initiative supported by environmental, social justice, Aboriginal and labour organisations from across the country. It addresses the urgent need for a coordinated public interest response to the threats to public health, water and air quality, fish and wildlife habitat and community interests posed by irresponsible mineral policies and practices in Canada and around the world.

### **The mission of MiningWatch Canada**

- To ensure that mineral development practices are consistent with the goals of sustainable communities and ecological health;
- To strengthen technical and strategic skills within communities and organizations faced with the impacts of mineral development;
- To impose appropriate terms and conditions on mining and where necessary prevent the development of projects that would adversely affect areas of ecological, economic and cultural significance; and
- To advocate policies to improve the efficiency and reduce the risks of mineral development.

### **Aims:**

- To make changes to federal government law, policy, regulation and bureaucracy that enable irresponsible mining in Canada and by Canadian companies abroad;
- To build the capacity of activists to intervene strategically to promote responsible mining and prevent irresponsible Mining;
- To mobilize the public to awareness and action for responsible mining practices nationally and internationally; and
- To improve investor sector responsibility for what their mining investments do to the environment and human communities in Canada and in other countries.

### **Strategies:**

- To support and build the capacity of communities and regional organizations and enable them to support each other;
- To analyse and expose the ways in which the industry operates in terms of environmental and social costs, government intervention, the life-cycle of minerals and public relations;
- To work in coalitions and with allies to effect changes in policy, law and institutional behaviour; and
- To maintain and build our organizational competence for the long term

### **National Staff message**

The year 2000 may have marked the end of the second millennium, but it unfortunately has not meant the end of irresponsible and destructive mining practices. If anything, we are just beginning to see the results of the globalisation of the mining industry, in terms of environmental damage, destruction of local economies, and violation of indigenous rights both in Canada and around the world.

The mining industry is not ignorant of its actions, although it may not fully understand their implications, and we have also seen a more sophisticated and mature, if not more honest, response from some industry leaders in the form of consultations and dialogue. And yet for all the talk we are still waiting for real movement towards implementing some of the basic demands coming from communities affected by mining: for mining companies to take responsibility for their wastes, to stop dumping tailings into rivers, lakes and oceans, and to respect the rights of communities to decide

the course of their own development.

In our second year of existence, MiningWatch Canada has built on the strength of our members and our partners, bringing solid research and advocacy together on a broad range of issues. The two main themes of this year's work, abandoned mines and bringing global stories home, bring together our strategic goals of making the mining industry responsible for its actions through a combination of direct pressure on the corporations involved, building networks of solidarity and dialogue, and exposing government and multilateral policies that distort development and "tilt the playing field" in favour of mining.

This year two main themes have emerged in our work: abandoned mines, as the key measure of the industry's willingness to take responsibility for its actions, and the greatest immediate threat to the environment and public health; and bringing global stories home, as the way to ensure that Canada is not simply exporting misery under the cloak of economic globalisation and competitiveness.

### **Abandoned mines**

Our work on abandoned mines has included lobbying and dialogue with industry and government players, research and documentation of the extent and severity of the problem, and support for communities trying to monitor and remediate the impacts of abandoned mines. In January we submitted a proposal to deal with federal sites to the relevant government ministers, along with a report from WOM Consultants, and then followed up with meetings with public servants and political staff. Abandoned mines in Canada and overseas were very much in the news all year. MiningWatch Canada and our partners received considerable press about the Kam Kotia, Britannia, Giant and Colomac mines.

We have also been involved in the Green Budget Coalition's Toxics Caucus, on the "Clean Canada Fund" proposal. This enabled us to talk about abandoned mines with deputy ministers and/or key staff in Environment, Natural Resources, Finance, the Prime Minister's Office, Treasury Board and Industry Canada. We are also working cooperatively with the Mining Association of Canada on this issue.

On the community front, we supported a community monitoring project at Ross River and Little Salmon Carmacks First Nations which showed much higher levels of contaminants from the mines upstream than had been admitted to by DIAND. The story got good press in the north and led to a meeting for representatives of the communities in Ottawa with Indian Affairs.

Abandoned mines have been a focus of most of the stories and cases we raise in all areas of work: the proposed new Metal Mining Effluent Regulations, discussions about regulation and enforcement, presentations on the need for regulation instead of voluntary measures, and pressure to reduce tax and subsidies for prospecting and exploration.

We will continue pressure on industry and the government this



"On the Ground Research" workshop — plenary session, April 15, 2000.

year, building the community monitoring program, and bringing the voices of affected communities to the table.

### Bringing global stories home

When MiningWatch Canada started up, we walked into an enormous pent-up demand for help from communities abroad that were being devastated by the actions of Canadian mining companies. Many of the stories we were hearing were not dissimilar to what was going on in remote areas in Canada. We decided on a two-pronged strategy to deal with these demands on our time effectively: 1) we brought



Board members Kevin O'Reilly (left) and Smy Tsannie at the "On the Ground Research" workshop

community representatives from eleven different countries to Canada for a workshop to share their stories with Canadians who were dealing with the same companies and problems; and 2) we arranged a number of tours in Canada for representatives of these communities to tell their own stories to the public, press and government.

This strategy brought home the behaviour of Canadian mining companies and made clear the links between the corporations' predatory practices abroad, and industry pressure for lower environmental and labour standards at home.

The On the Ground Research workshop was followed by the release of a video of the workshop, a literature review on communities affected by mining (in Canada and elsewhere), a research agenda for communities and a "Collective Memory" booklet for participants (in English and Spanish). Before the participants went home, they had a very useful and powerful meeting with Foreign Affairs representatives in Ottawa.

This two-pronged strategy has made clear the complexity of Canadian government — through its policies, tax incentives, the Export Development Corporation and CIDA (the Canadian International Development Agency) — in creating the conditions for irresponsible mining practices abroad, which are then used by the industry to undermine standards in Canada. Our strategy of giving voice to affected communities works: Canadian mining activists who meet with the visitors find their knowledge and experience very useful for their own organizing work in Canada.

### Highlights of 2000

- Responded to federal government Sustainable Development Strategy initiatives, including preparation of a summary of literature on indicators and participation in Sustainable Development Strategy process with Natural Resources Canada, Environment Canada and DFAIT.

- Presented briefing notes to Department of Indian Affairs and Northern Development and Department of Natural Resources on contamination and federal liability at the Ketza, Mt. Nansen, Viceroy and Faro mines in the Yukon.
- Made a submission at public hearings and to federal public servants opposing Canadian United Minerals' exploration license in Tombstone Park, Yukon.
- Presented briefing notes to Department of Finance and Department of Natural Resources on the negative economic and environmental effects of "flow-through" tax benefits for mineral exploration.
- Made a presentation on the global reach and corporate history of Falconbridge and Noranda to striking Falconbridge miners in Sudbury.
- Prepared of a map of Acid Mine Drainage sites in Canada, in print and on our web site.
- Participated in discussions about the affects of different forms of engagement ("Social partnerships") between transnational companies and NGOs.
- Participated in discussions at Canadian Environmental Network and multi-stakeholder fora on the five-year review of the Canadian Environmental Assessment Act, including formal submission.
- Made a submission on the Draft Comprehensive Study Report on the proposed Aquarius Mine and a presentation to the Minister of the Environment in response to the final Report.
- Wrote to the Minister of the Environment requesting a full environmental assessment of the Rail Cycle North proposal to use the abandoned Adams Mine as a dump for garbage from Toronto; presentation to the Mayor of Toronto and presentation at a rally on Parliament Hill.
- Supported a tour of two human rights activists from Kenya to Montreal, Ottawa and Toronto in October to raise awareness around Tiomin Resources' proposed titanium mine in the Kwale district, Kenya. Accompanied by Warren Allmand and Harry Arthurs, they met with the company, senior people at the Department of Foreign Affairs and International Trade (DFAIT) and CIDA, and many supporters and journalists.
- Arranged for representatives of the Subanen people in Mindanao in the Philippines, fighting to get TVI Pacific Ltd. to respect their



Indonesian community representatives visit the Innu in Ntesinan. From left to right: Rose Gregoire, Anu Rao, Andi Basso Am, Elizabeth Penashue, Anto Sangaji, and Francis Penashue.

- traditional land rights, to meet with Natural Resources, DFAIT and CIDA, and also with aboriginal organizations, supporters, investment brokers and journalists in Vancouver, Toronto and Ottawa. They refused to meet the company in Canada, saying that any such meeting would have to take place in Canatuan in front of the people. That meeting is now taking place.
- Enabled Beth Manggol, an activist in Marinduque in the Philippines, to attend the Placer Dome Annual Meeting in Toronto, to



talk about the need to clean-up large amounts of uncontained mine waste in Marinduque, and assisted in writing a shareholder resolution that has pushed Placer Dome to negotiate. The Marinduque situation also became a focus of the Jubilee 2000 and Ten Days campaigns, and another Marinduqueña, Vilma Piguerra, toured in the fall in support of those campaigns.

- Enabled Andi Baso Am and Arianto Sangaji, indigenous activists battling Inco in Indonesia, to attend the Inco Annual Meeting in Toronto, spent five days with the Innu at Davis Inlet (including three days in a tent on the land with the elders) and spent another five days in Sudbury, meeting with union and community mining activists, and touring Inco operations. This has resulted in a con-



Huckleberry mine near Houston, BC — tailings impoundment construction

tinuing relationship of support between all four communities.

- Released [Gravediggers: a Report on Mining in Burma](#) and brought the author, Roger Moody, here to meet the press, government and non-governmental organisations in Ottawa and Toronto. The biggest mining operation in Burma is Robert Friedland's Ivanhoe Mines, registered in the Yukon. We did a joint launch of the report in Whitehorse with the Yukon Conservation Society, attacking Yukon tax incentives.
- Released [Towards a Spiral of Violence? The Dangers of Privatising Risk Management of Investments in Africa — Mining Activities and the Use of Private Security Companies](#), a study by the Montréal-based Working Group on Human Rights in Congo/Kinshasa, and participated in several meetings and workshops with researchers and organisations working towards peaceful resolutions of resource-based conflicts in Central and West Africa, including Sierra Leone.
- Made a presentation to the House of Commons Standing Committee on Foreign Affairs and International Trade — at their request — on the rôle of Canadian mining companies in Central Asia, highlighting First Dynasty (another Friedland venture) in Armenia, and Cameco's activities in Kyrgyzstan.
- Released [Undermining the Forests: the Need to Control Transnational Mining Companies – A Canadian Case Study](#), a study published by the Forest Peoples Programme, Philippine Indigenous Peoples' Links, and the World Rainforest Movement, highlighting the rôle of Canadian mining companies in the violation of indigenous rights and the destruction of rainforest ecosystems in Guyana, Suriname, French Guiana, the Philippines, and Indonesia.
- Reviewed environmental guidelines and disclosure policies of the Export Development Corporation; attended multi-stakeholder consultations and meetings with senior public servants at Finance, Industry, and Foreign Affairs.
- Our Board of Directors met with Department of Natural Resources and Department of Indian Affairs and Northern Development.
- Our web site at [www.miningwatch.ca](http://www.miningwatch.ca) continues to be an important resource for students, researchers, and journalists.

***We would like to thank all those organisations and individuals who have helped us in the past year:***

Anglican Church of Canada  
 Anonymous donors  
 Bessa Whitmore  
 Bonnie Campbell  
 Canadian Auto Workers Social Justice Fund  
 Canadian Consortium for International Social Development  
 CooperAcción  
 Denis Tougas  
 Development and Peace  
 EJLB Foundation  
 Halifax Initiative  
 Inter Pares  
 International Development Research Centre  
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 Steelworkers Humanity Fund  
 Stuart Marwick  
 Terra Vision/Stuart Cryer  
 Third World Network (Africa Secretariat)  
 United Church of Canada  
 Walter and Duncan Gordon Foundation  
 Wendy Milne

### ***Board of Directors***

MiningWatch Canada is a federally registered non-profit society. The Directors have expertise and experience in geoscience, human health sciences, political communications, resource law, campaigning, organisational management and fund-raising, international development and aboriginal issues. Individual board members are responsible to the member organisations of MiningWatch as a whole and do not, in their governance capacity, represent specific organisational interests.

#### Co-Chairs

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Research Director, Canadian Arctic Resources Committee

*Joe Tsannie, Jr., Wollaston Lake, Saskatchewan*

Student; former Councillor, Hatchet Lake First Nation



Ouseley Hanvey Clipsham Deep LLP  
chartered accountants

## AUDITORS' REPORT

To the Members of  
MiningWatch Canada / Mines Alerté Canada

We have audited the statement of financial position of MiningWatch Canada / Mines Alerté Canada as at December 31, 2000 and the statement of revenue and expenditure for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Ottawa, Ontario  
January 26, 2001

**OUSELEY HANVEY CLIPSHAM DEEP LLP**  
Chartered Accountants

*John N. Clipsham 562.8379 / Bruce W. Deep 562.2007 / Paul J. Hanvey 562.2010 / Roger S. Ouseley 562.2002*

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**MININGWATCH CANADA / MINES ALERTE CANADA**STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2000

	2000	1999
<b>CURRENT ASSETS</b>		
Cash	\$ 53,433	\$ 38,003
Accounts Receivable	5,000	–
Prepaid expenses	3,745	2,450
	<u>\$ 62,178</u>	<u>\$ 40,453</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 17,053	\$ 8,870
Deferred revenue (note 2)	35,000	22,000
	<u>52,053</u>	<u>30,870</u>
<b>NET ASSETS</b>		
Balance - beginning of year	\$ 9,583	–
Excess of revenue over expenditure for the year	542	9,583
	<u>10,125</u>	<u>9,583</u>
	<u>\$ 62,178</u>	<u>\$ 40,453</u>

**MININGWATCH CANADA / MINES ALERTE CANADA**STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDING DECEMBER 31, 2000

	2000	1999
<b>REVENUE</b>		
Grants	\$42,000	\$ 38,300
Program generated	116,854	20,230
Foundation grants		
EJLB Foundation	41,000	24,000
Gordon Foundation	84,000	116,000
Other	60,000	40,000
Memberships, interest and other	5,111	1,324
	<u>348,965</u>	<u>239,854</u>
<b>EXPENDITURE</b>		
Council meeting coordination	20,377	8,698
Conferences and meetings	100,945	60,436
Technical support and start-up	13,016	23,142
Publicity and publications	7,869	7,575
International program	65,846	24,193
Domestic program	78,756	60,292
Operating	17,920	12,231
Administration	43,692	33,704
	<u>348,423</u>	<u>230,271</u>
<b>EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	<u>\$ 542</u>	<u>\$ 9,583</u>

## **MININGWATCH CANADA / MINES ALERTE CANADA**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2000

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

##### **(a) Organization**

MiningWatch Canada / Mines Alert Canada was incorporated on June 11, 1999 without share capital, under the laws of Canada. MiningWatch Canada / Mines Alert Canada is a non-governmental organization dedicated to the promotion of responsible mining and minerals development. Working nationally and globally, in support of local organizations, MiningWatch Canada / Mines Alert Canada emphasizes economic, social, ecological and cultural integrity. The organization operates on a not-for-profit basis and is not subject to Federal or Provincial income tax.

Although the organization was incorporated in June 1999, operations commenced January 31, 1999. As a result the comparative figures reflect the eleven month period from January 31, 1999 to December 31, 1999.

##### **(b) Capital assets**

The Organization follows the accounting policy of recording as expenditure, the cost of capital assets acquired during the year. The expenditure for the year related to the acquisition of computer equipment and furniture totaled nil (1999 - \$10,422).

##### **(c) Revenue recognition**

The organization follows the deferral method of accounting for contributions.

#### **2. DEFERRED REVENUE**

Deferred revenue consists of funding received prior to the year end that relates to the next fiscal year.

#### **3. COMMITMENTS**

The organization has a lease commitment for office space which expires April 30, 2004. Annual lease payments including operating costs are approximately \$7,800.

