



*MiningWatch Canada*

**ANNUAL REPORT 2001**

### ***Members in 2001***

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  
Sierra Legal Defence Fund Society  
Steelworker Humanity Fund  
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 Alerte**

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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**

This has been a good year for MiningWatch Canada. We are beginning to mature as an organization. In the past year, we have got a better sense of the role we can play in Canada and in support of communities affected by mining abroad.

### **MiningWatch Canada Advisors**

One of our accomplishments this year has been the establishment of MiningWatch Canada Advisors. We established MiningWatch Canada Advisors for the following purposes:

- To recognize and honour persons who have contributed to responsible mining practices or related work
- To provide the board with the advice of resource people that have agreed to make themselves available for consultation from time to time
- To indicate to the public that we have the support of respected citizens in our mission and objectives

The MiningWatch Canada Advisors are: Chief Earl Commanda, Stephen Hazell, Dr. Isobel Heathcote, Moira Hutchinson, Ovide Mercredi, Dr. Donna Mergler, and Senator Lois Wilson.

### **Changes in Board of Directors**

We also had some changes to our Board of Directors. Nancy Kleer resigned to have her third child. Lorraine Michael and Evelyn Baxter Robinson joined.

Staff at MiningWatch Canada remained the same, with Jamie Kneen, Catherine Coumans and Joan Kuyek holding down the office, and Larry Frazer acting as accountant. We made more use this year of contract workers, and have been pleased to have Roch Tassé working on the Global Network of Communities Affected by Mining, the Mexico study, and filling in on occasion at the office. Anneli Tolvanen did brilliant field work following up on the consequences of Greenstone Resources' collapse in Nicaragua. In the summer we had a student intern, Katie Graham, who did great work on the Motherlode database.

### **Key areas of work**

MiningWatch Canada has six guidelines for how we work on any issue:

- To apply a holistic, structural analysis to mining issues encompassing environmental concerns, human rights and health, working conditions and the distribution of wealth and power
- To facilitate, inform and promote mining issues through other non-governmental organisations (NGOs) and institutions
- To facilitate collective work and exchanges between communities, organisations and individuals engaged in mining issues
- To strengthen and accompany community and regional struggles in Canada and internationally
- To do and cause to be done research and analysis that supports the above strategies
- To engage with the federal government to promote responsible (and oppose irresponsible) mining practices.



Abandoned open pit mine – Iron Ore Company of Canada, Schefferville, Nitassinan (Québec) (Serge Ashini Goupil photo)

### **Full Costs of Mining**

MiningWatch Canada has been working on this project since our first year. We see the information it will elicit as essential to the campaign for responsible mining, since the industry claims such enormous economic benefits based on their own analysis. The demand for this work has been growing over the last few years from environmental groups concerned about ecological fiscal reform, and others who need hard evidence on which to base their arguments. An advisory group of ecological accountants, working with MiningWatch Canada, agreed to commission the Pembina Institute to work with us on the study. It will be peer-reviewed and released by September 2002.

### **Abandoned Mines**

In this year, we worked closely with a number of communities dealing with abandoned mines and with other stakeholders to push the issue forward.

Key to that work was the organization of a workshop on abandoned mines with the Assembly of First Nations (AFN). Called *After the Mine: Healing our Lands and Nations*, the workshop brought together representatives of a number of First Nations dealing with abandoned mines for three days of workshop presentations on health issues, law and community responses. Held in Sudbury, it included a tour of the tailings area at Falconbridge Nickel Mines.

Working with the Mining Association of Canada and the Mines Ministers' Intergovernmental Working Group (IGWG), we held a workshop for government, industry, Aboriginal organizations, mining communities and NGOs in Winnipeg from June 25-27 this year. The group developed consensus guiding principles and recommendations for Ministers to consider at the 2001 Mines Ministers Conference.

The workshop agreed that a national multi-stakeholder advisory committee be formed and funded to create an inventory of abandoned mines, to make plans to deal with them, and to report back to the Mines Ministers in 2002. In September, the Mines Ministers approved the request, and the Multistakeholder Advisory Committee will be established early in 2002.

The federal Auditor-General's Office is currently auditing abandoned mines in the north.

#### **Bringing together communities affected by Inco**

Between October 18 and November 1, 2001 MiningWatch Canada hosted and toured a delegation from New Caledonia, a large island in the southwest Pacific, controlled by France. The delegation consisted of two local environmentalists from Action Biosphere, Rick Anex and Jacky Mermoud, and two Kanak Chiefs from the Senat Coûtumier (Customary Senate) of New Caledonia, Georges Mandaoe (President), and Regis Vandegou (Secretary General).

The members of the delegation represented both indigenous and non-indigenous citizens of New Caledonia who are very concerned about Inco's plans to start a huge (100-year) open pit nickel mine in the archipelago in an area sparsely populated by native Kanaks. Their concerns are both environmental and social/cultural. Inco plans to pump mine waste into the surrounding coral reef. The people want greater transparency, better consultation, and time to conduct an independent review of Inco's environmental impact study.

The visitors went to Sudbury, where they visited with Steelworkers local 6500 and met with the community activists. They went to Nitissinan (Labrador), to Davis Inlet, and spent time with Innu Nation elders and leaders. The visits provided these communities and the New Caledonian delegation an opportunity to learn from each other's experiences and build new relationships.

The delegation also met with Inco executives in Toronto, as well as the Canadian Environmental Law Association, Michael Jantzi's Research Associates, Church groups, the Steelworkers Humanity Fund and media. In Ottawa they met with representatives of Natural Resources Canada and the Department of Foreign Affairs and International Trade.



Miners' dry, Inco North Mine, Sudbury, Ontario (J. Kneen photo)

#### **Building Regional and Community Capacity in Canada**

We provided capacity building activities to more than 40 separate groups, individuals and organizations in Canada. Highlights of these activities are listed below:

- The workshop for First Nations entitled *After the Mine: Healing Our Lands and Nations*, that we held with the AFN;
- The preparation of a study for the Canadian Boreal Trust on the impacts of mining on the Boreal Forest. This document – over 100 pages in length, with maps and case studies – will be used by the Trust to develop a strategy to save the Boreal.
- Enabled 22 mining activists (including 8 indigenous) from across the country to participate in the Western Mining Activist Network training in Albuquerque, New Mexico, and helped develop an

agenda for the meeting that was truly conducive to learning.

- Identified Nishnawbe Aski Nation as the North American case study for the Indigenous Peoples and Mining workshop of the UNHCHR (United Nations High Commission on Human Rights) in Geneva.
- Support for community, union and indigenous activists in Sudbury through facilitating a meeting to debrief about the lengthy strike against Falconbridge, and two panel discussions on Mining and Health using local experts.
- This year, the over 14,000 users read more than 60,000 pages on our web site ([www.miningwatch.ca](http://www.miningwatch.ca)), with 120-200 pages read daily. Visitors came mostly from North America, but we have had visits from all over the world – Russia, Fiji, Norway, Mexico, and from all kinds of institutions – academic, business, the World Bank, the US Marine Corps, various NGOs and many others.

#### **Other Highlights of our work in 2001**

- Responded to revisions to the Metal Mining Effluent Regulations (MMER). Although the changes do not go far enough from our point of view, the mining industry had lobbied very hard to weaken the regulations even further.
- As a member of the NGO Working Group on the Export Development Corporation (EDC), we obtained improved disclosure and environmental standards for the EDC, as well as ensuring that it will be subject to annual review by the Commissioner for Environment and Sustainable Development. There are still serious problems. The environmental review is entirely in the hands of the EDC, and EDC remains exempt from the Canadian Environmental Assessment Act and the Access to Information Act.
- With the Council of Canadians, the Lawyers' Environmental Action Team (LEAT) of Tanzania, and NGOs from around the world, made the allegations of forced evictions and deaths at the Bulyanhulu mine in Tanzania a matter of public debate, and called

for an international independent investigation of the matter

- Played a key role in the international battle to stop the dumping of tailings in oceans. We took part in a major international conference on Submarine Tailings Disposal ("STD") in Indonesia; worked with Project Underground to prepare a toolkit for communities dealing with STD; and contributed to articles in learned journals and the popular press, including one published in the American Chemical Society's *Environmental Science and Technology*, "Dumping of Mine Wastes

Under Scrutiny" by Janet Pelley, and one in the Journal of the National Institute of Environmental Health Sciences' *Environmental Health Perspectives*, "Tarnishing the Earth, Gold's Dirty Mining Secret" by Scott Fields.

- Through the Green Budget Coalition, obtained the support of the House of Commons Standing Committee on Finance for our proposals for a Clean Canada Fund.
- Participated actively in the five-year review of the Canadian Environmental Assessment Act
- Developed a kit on *Mining and International Financial Institutions* with the Halifax Initiative
- MiningWatch Canada produced a number of publications: *Financial Options for the Remediation of Mine Sites*, *After the Mine: Healing*

*Our Lands and Nations, Mining in Remote Areas* (with EMCBC, revised version), three newsletters, a report on *Threats Posed by Mining in the Boreal Forest*, *TOXICanada: Thirteen Good Reasons to Establish a Clean Canada Fund* (with the Sierra Club); and an article in Oxford University Press's *Moving Mountains: Communities Confront Mining and Globalization*: "Mining, Water, Survival and the Diavik Diamond Mine."

- Worked with Cooperación in Peru, Third World Network-Africa Secretariat, Mines Minerals and People in India, JATAM in Indonesia, and MineWatch Asia-Pacific in the Philippines to develop a proposal for a Global Network of Communities Affected by Mining. The proposal development greatly strengthened the community voice in international and regional meetings about mining around the world.
- Worked with the SINTRAMINERCOL (the union of the Colombian state Mining company), the Canadian Colombian Solidarity Campaign, the Canadian Labour Congress, the Steelworkers, and the Canadian Auto Workers (especially Local 599 in Timmins) to support the struggle to have miners' rights respected in Colombia.
- Participation with other NGOs at the following fora, where we have been able to bring an environmental, community and human rights perspective to bear: the Mining Association of Canada's Toxicological Investigations of Mining Effluents (TIME) workshop, CIDA (Canadian International Development Agency)'s consultation on their Long Term Strategy, an Africa Canada Forum/Canadian Council on International Cooperation (CCIC) workshop with the Department of Foreign Affairs on Corporate Social Responsibility, the Mining Association of Canada's "Towards Sustainable Mining" workshop, and the National Round Table on Environment and Economy (NRTEE) Tax Shifting Conference.

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

The Walter and Duncan Gordon Foundation  
 The EJLB Foundation  
 Anonymous donors  
 CAW Social Justice Fund  
 Steelworker Humanity Fund  
 Inter Pares  
 Primates World Relief and Development Fund  
 Kairos: Canadian Ecumenical Justice Initiatives  
 Brainerd Foundation  
 Metcalf Foundation  
 Laidlaw Foundation  
 Rights and Democracy  
 Ford Foundation  
 Roch Tassé  
 Katie Graham

Ben Lefebvre  
 Anneli Tolvanen  
 Yukon Conservation Society  
 Canadian Parks and Wilderness Society  
 Canadian Arctic Resources Committee  
 Council of Canadians  
 Pembina Institute for Appropriate Development  
 Environmental Mining Council of British Columbia  
 The Packard Foundation  
 Project Underground

***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

*Alan Young, Victoria, British Columbia*

Executive Director, Environmental Mining Council of BC

*Brennain Lloyd, North Bay, Ontario*

Executive Director, Northwatch

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Independent consultant on international and labour issues

Secretary

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Researcher, Canadian Environmental Law Association

Directors

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Consultant to the Innu Nation

*Joe Tsannie, Wollaston Lake, Saskatchewan*

Student, former Councillor, Hatchet Lake Dene Nation

*Lorraine Michael, St. John's, Newfoundland*

Executive Director, Women in Resource Development

*Evelyn Baxter-Robinson, Thunder Bay, Ontario*

Lands and Resources Co-ordinator, Nishnawbe Aski Nation

*Jean Symes, Ottawa, Ontario*

Program Officer, Inter Pares

*Sarah Johnnie, Carmacks, Yukon*

Executive Director, Carmacks Renewable Resource Council

*Sue Moodie, Whitehorse, Yukon*

Consultant on environmental monitoring & management

*Kevin O'Reilly, Yellowknife, Northwest Territories*

Research Director, Canadian Arctic Resources Committee



Nickel tailings – Falconbridge, Sudbury, Ontario (J. Kneen photo)



Ouseley Hanvey Clipsham Deep LLP  
chartered accountants

## AUDITORS' REPORT

To the Members,  
MiningWatch Canada / Mines Alertes Canada:

We have audited the statement of financial position of MiningWatch Canada / Mines Alertes Canada as at December 31, 2001 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 Canadian 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, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Ottawa, Ontario  
February 6, 2002

*OHC D LLP*

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, 2001

	2001	2000
<b>CURRENT ASSETS</b>		
Cash	\$ 96,855	\$ 53,433
Accounts Receivable	37,050	5,000
Prepaid expenses	1,296	3,745
	<u>\$ 135,201</u>	<u>\$ 62,178</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 6,839	\$ 17,053
Deferred revenue (note 2)	99,852	35,000
	<u>106,691</u>	<u>52,053</u>
<b>NET ASSETS</b>		
Balance - beginning of year	\$ 10,125	9,583
Excess of revenue over expenditure for the year	18,385	542
	<u>28,510</u>	<u>10,125</u>
	<u>\$ 135,201</u>	<u>\$ 62,178</u>

**MININGWATCH CANADA / MINES ALERTE CANADA**STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDING DECEMBER 31, 2001

	2001	2000
<b>REVENUE</b>		
Grants	\$36,700	\$ 42,000
Program generated	106,621	116,854
Foundation grants	229,350	185,000
Memberships, interest and other	6,592	5,111
	<u>379,263</u>	<u>348,965</u>
<b>EXPENDITURE</b>		
Council meeting coordination	19,801	20,377
Conferences and meetings	1,376	100,945
Technical support and start-up	45,129	13,016
Publicity and publications	13,164	7,869
International program	117,930	65,846
Domestic program	89,790	78,756
Operating	27,672	17,920
Administration	46,016	43,692
	<u>360,878</u>	<u>348,423</u>
<b>EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	<u>\$ 18,385</u>	<u>\$ 542</u>

# MININGWATCH CANADA / MINES ALERTE CANADA

## NOTES TO FINANCIAL STATEMENTS

December 31, 2001

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Organization

MiningWatch Canada / Mines Alerte 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.

#### (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 \$2,500 (2000 - nil).

#### (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 \$8,300. The organization also has a lease commitment for the telephone system which expires in 2006. Annual lease payments are approximately \$800.