



MiningWatch Canada Annual Report 1999



Cover photographs (clockwise from upper left):

Idiapriem open pit mine, Tarkwa, Ghana (J. Kneen photo);

Caribou, British Colombia (EMCBC photo);

Trucks loading ore (EMCBC photo);

Goldfields Ghana Ltd. cyanide heap leach pad, Tarkwa, Ghana (J. Kneen photo);

Children outside Goldfields Ghana Ltd. relocation office, Tarkwa, Ghana (J. Kneen photo);

MiningWatch Canada co-chair Alan Young leading strategy session at founding Board meeting (C. Coumans photo).

MiningWatch Canada

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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 co-ordinated 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 aims of MiningWatch Canada are:

- to ensure that mineral development practices are consistent with sustainable communities and ecological health;
- to strengthen technical and strategic skills within communities and organisations facing 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.

National Staff message

Nineteen-ninety-nine marked the debut of MiningWatch Canada. A direct response to industry and government failures to deliver on promises of environmentally and socially responsible mining, MiningWatch Canada brings together strategic and technical expertise from across Canada, and supports the monitoring, analysis and advocacy necessary to affect the behaviour of industry and public decision-makers.

MiningWatch's membership is made up of regional non-profit organisations that face mining issues on a daily basis, and our board is elected for their commitment and expertise. They have worked hard to get the national organisation started — securing funding, office space in Ottawa and competent staff. We opened our doors on April 1, 1999.

In the past year, we have incorporated MiningWatch and set up all the administrative and communication systems necessary to run an effective organisation. Our board has remained active and involved and two new members

were added. The board held strategy sessions in May and October.

Our communications work is made up of several key elements. Our "profile" with decision-makers, analysts and activists depends on our ability to provide incisive, accurate, and credible material. Our media and Parliamentary/departmental fax and e-mail network has developed to the point where it allows us to get our material to our targets almost instantly. Providing reference and background material is done through our continuously updated Web site (www.miningwatch.ca), which provides public access to all of our press releases, research papers, and background documents.

We have worked with the regions to provide support to leadership development initiatives like Minding the Mines in north-eastern Ontario, and supporting the attendance of regional activists to a major environmental mining training session sponsored by the US/Canadian



Daniel Ashini at the MWC/Innu Nation conference (C. Cleghorn photo)

Western Mining Activist Network. We have supported the Canadian Arctic Resources Committee in opposing the inappropriate environmental approval of the Diavik project, the Yukon Conservation Society in exposing the Faro Mine bail-out, and Canadian Parks and Wilderness Society in preventing mining at Tombstone Park in the Yukon.

On September 10-12, 1999, MiningWatch Canada and the Innu Nation convened a gathering of 80 representatives from over 30 aboriginal communities affected by mining. The gathering served to share experience and ideas coming out of the environmental assessment and land rights negotiations with

respect to the Voisey's Bay project, but it was also an opportunity for aboriginal groups to set an agenda for MiningWatch's work with them. Participants told us that this was the first time they had been in an environment where they felt safe openly discussing all the issues occasioned by mining-related development.

We have been gathering research and monitoring federal departments involved in mining. We participated in the Sustainable Development Indicators multi-stakeholder process sponsored by Natural Resources Canada and participated in the annual technical seminar of the national Mine Effluent Neutral Drainage program held in BC.

The pollution and health risks posed by abandoned mine sites is a critical issue for Native and non-Native communities across the country. In order to highlight the Federal responsibility, especially in the North and on Native lands, we began an outreach effort with public servants, Ministers and Members of Parliament. We worked with the Environmental Mining Council of BC to carry out several weeks of background research, leading to a document called Mining's Toxic Orphans, that went to the relevant Ministers and critics. It attracted a lot of attention in the Northern media (including a full page in the Yukon News), where the greatest federal liabilities are.

The public portion of the five year review of the Canadian Environmental Assessment Act (CEAA) will take place in the first quarter of 2000 in order to allow the Minister of Environment to present his recommendations to the House before the end of the year. We are members of the Environmental Planning and Assessment Caucus of the Canadian Environmental Network — specifically the five-year review working group — and have been actively involved in planning



Tarkwa Deeps underground mine, Goldfields Ghana Ltd., Tarkwa, Ghana (J. Kneen photo)



Cyanide heap leach pad, Goldfields Ghana Ltd. – Tarkwa mine, Tarkwa, Ghana (J. Kneen photo)

strategy and presentation since early 1999.

We have had many requests for research and help in dealing with the impacts and unacceptable practices of Canadian mining companies overseas. This has meant research on individual companies and media attention to the issues, as well as growing criticism of the public subsidies that support these companies.

We have been an active member of the Export Development Corporation Working Group, and have been trying to get disclosure of where this public corporation is placing our dollars. We helped write the policy paper and appeared before the Standing Committee on Foreign Affairs and International Trade.

In September we helped bring Judith David from Guyana to speak about the EDC role in the Omai disaster and in January we helped bring Ariato Sangaji an Indonesian mining activist to Canada to talk about PT Inco's impact on aboriginal people. We maintain an active involvement with the people of Marinduque in their attempts to get Placer Dome to take responsibility for the environmental disasters there.

In November, we travelled to Ghana to attend a conference sponsored by the Third World Network on mining, development and social conflicts in Africa. This has led to a commitment to support the people of Tarkwa in their efforts to combat irresponsible mining practices.

We are pleased and proud of our progress in the past year. Working with our many partner groups we have helped to significantly raise the profile of and concern with irresponsible mining practices across Canada and beyond.

Thanks & acknowledgements

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

- Yukon Conservation Society
- Canadian Arctic Resources Committee
- Inter Pares
- Canadian Nature Federation
- Northwatch
- Morris Rose Ledgett
- Canadian Parks and Wilderness Society
- Mineral Policy Centre
- Project Underground
- Third World Network Africa Secretariat
- Democracy Watch
- Walter and Duncan Gordon Foundation
- EJLB Foundation
- The Innu Nation
- Canadian Environmental Defence Fund
- Canadian Environmental Law Association
- Melanie Quevillon
- Samuel & Saidye Bronfman Family Foundation
- Richard S. Ivey Foundation
- The Laidlaw Foundation
- CAW Social Justice Fund
- Steelworkers Humanity Fund
- Environmental Mining Council of British Columbia

Highlights of 1999

- National office established in Ottawa with full staff complement, effective administration and information systems in place under the direction of diverse & active board of directors.
- Board of Directors carried out energetic mining reform strategy sessions.
- Development of a resource library on mining issues.
- Research on state of abandoned mines

inventories in Canada, for a proposal to federal government re: abandoned mines policy – completed and submitted January 11, 2000.

- Research on aboriginal communities and mining: consultation held September 10-12, 1999. Case studies of six communities. Proceedings and case studies published and distributed in October 1999.
- Research on rôle of Export Development Corporation and irresponsible mining practices. Presentation to Standing Committee on Foreign Affairs and International Trade, November 16, 1999.
- Research on state of research re: Submarine Tailing Disposal. Participation in B.C. Metal Leaching and Acid Rock Drainage Forum in December 1999.
- Submission on Diavik Comprehensive Study Review, July 1999.



(J. Kneen photo)

- Action on specific mine issues at request of regional partners. Diavik, Tombstones, MMLER, Tarkwa, Faro and Giant, Ok Tedi, Greenstone in Nicaragua, Tambo Grande in Peru, spill at Inco mine at Wahnapiatae First Nation, Inco hydro-metallurgical process proposal, TVI in the Philippines, on-going research for people of Marinduque re: Placer Dome mine in the Philippines.
- Significant media and public profile for MWC initiatives. Mentioned in national newspapers at least 20 times since inception. Development of an extensive data-base in English and in French for newspapers and other media outlets and "friends."
- Contribution to a new book soon to be published by World Rainforest Movement, Undermining the Forests: A Canadian Case Study, one article and other information.
- Participation and presentation in Natural Resources Canada Forum on

Sustainable Development Indicators. Played leadership role in policy discussions and drafting of background and supporting documents.

- Participation with Canadian Environmental Network in the five year review of CEAA.
- Development of a strategy to promote public awareness and response to proposed changes to the Metal Mining Liquid Effluent Regulations.
- Presentation with CARC to key public servants in DIAND on policies regarding the assumption of liability for cleanup at Giant and Faro Mine.
- Work with Third World Network to bring DFAIT awareness to situation in Tarkwa; met with relocation engineers John van Nostrand Associates.
- Presentation on two panels on social and community impacts at the Canadian Aboriginal Minerals Association conference in St. John's, Newfoundland in November.
- Participation in discussions about the effects of "social partnerships" between transnational companies and NGOs. We made a presentation at the CIDA Partnership forum, and are participating in a Learning Circle organized by the Canadian Council on International Co-operation.
- Work with Western Mining Activist Network technical committee in development of the Framework for Responsible Mining.
- Initiated small grants program to assist regional groups. We supported "Minding the Mines," a workshop in northern Ontario, paid for a participant from Newfoundland to attend the

WMAN workshop in Reno, and are responding to requests from the Yukon.

- Completed a summary analysis of the Mining Association of Canada Environmental Progress Report in January 2000.
- Advice and information sharing to regional groups, including Nunavut Impact Review Board, Algonquin Eco-Watch, West Carleton, Michipicoten First Nation, Yukon Conservation Society, Canadian Arctic Resources Committee, Environmental Mining Council of British Columbia, Canadian Parks and Wilderness Society, Northwatch, and the Citizens Environmental Mining Council of Newfoundland.

Board of Directors

Legally, MiningWatch Canada is a federally registered non-profit society, with a thirteen-member Board of Directors.

The founding Directors have expertise and experience in geoscience, human health sciences, political communications, resource law, campaigning, organisational management and fundraising, international development and aboriginal issues. Individual board members are responsible to the member organisations of MWC as a whole and will 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

Treasurer

Yves Rochon, Aylmer, Québec
Project Officer, Inter Pares

Secretary

Ken Traynor, Toronto, Ontario
Researcher, Canadian Environmental Law Association

Board members

Daniel Ashini, Sheshatshui, Labrador
Consultant to the Innu Nation

Julie Gelfand, Ottawa, Ontario
Executive Director, Canadian Nature Federation

Isobel Heathcote, Guelph, Ontario
Professor of Engineering and of Environmental Sciences, University of Guelph.

Sarah Johnnie, Carmacks, Yukon
Executive Director, Carmacks Renewable Resource Council

Nancy Kleer, Toronto, Ontario
Partner, Morris, Rose, Ledgett, Barristers and Solicitors

Sue Moodie, Whitehorse, Yukon
MSc in Environmental Management,
School of Mine Engineering, Queen's University

Kevin O'Reilly, Yellowknife, Northwest Territories

Research Director, Canadian Arctic Resources Committee

Dermod Travis, Montréal, Québec
Director, Public Interest Research Associates

Joe Tsannie, Jr., Wollaston Lake, Saskatchewan

Councillor, Hatchet Lake First Nation



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

Members in 1999

Canadian Arctic Resources Committee
Canadian Environmental Law Association
Canadian Nature Federation
Environmental Mining Council of British Columbia
The Innu Nation
Inter Pares
Northwatch
Yukon Conservation Society



Ouseley Hanvey Clipsham Deep LLP
chartered accountants

AUDITORS' REPORT

To the Members of
MiningWatch Canada / Mines Alertes Canada

We have audited the statement of financial position of MiningWatch Canada / Mines Alertes Canada as at December 31, 1999 and the statement of revenue and expenditure for the eleven month period 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, 1999 and the results of its operations and the changes in its financial position for the eleven month period then ended in accordance with generally accepted accounting principles.

Ottawa, Ontario
January 18, 2000

OHCD LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP
Chartered Accountants

MININGWATCH CANADA / MINES ALERTESTATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 1999

	1999
CURRENT ASSETS	
Cash	\$ 38,003
Prepaid expenses	2,450
	<u>\$ 40,453</u>
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	\$ 8,870
Deferred revenue (note 2)	22,000
	<u>30,870</u>
NET ASSETS	
Balance - beginning of period	—
Excess of revenue over expenditure for the period	9,583
	<u>9,583</u>
Balance - end of period	9,583
	<u>\$ 40,453</u>

STATEMENT OF REVENUE AND EXPENDITURE
FOR THE ELEVEN MONTH PERIOD ENDING DECEMBER 31, 1999

	1999
REVENUE	
Grants	\$ 38,300
Program generated	20,230
Foundation grants	
EJLB Foundation	24,000
Gordon Foundation	116,000
Other	40,000
Memberships, interest and other	1,324
	<u>239,854</u>
EXPENDITURE	
Council meeting coordination	8,698
Conferences and meetings	60,436
Technical support and start-up	23,142
Publicity and publications	7,575
International program	24,193
Domestic program	60,292
Operating	12,231
Administration	33,704
	<u>230,271</u>
EXCESS OF REVENUE OVER EXPENDITURE FOR THE PERIOD	<u>\$ 9,583</u>

MININGWATCH CANADA / MINES ALERTE CANADA

NOTES TO FINANCIAL STATEMENTS
December 31, 1999

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 these financial statements report on 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 period. The expenditure for the period related to the acquisition of computer equipment and furniture totaled \$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 period 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.