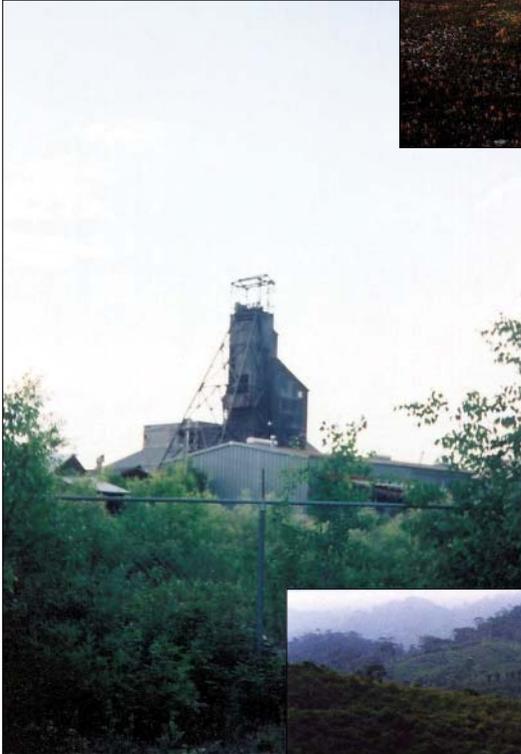




MiningWatch Canada



**ANNUAL REPORT 2002**

### **Members in 2002**

Bathurst Sustainable Development  
Canadian Arctic Resources Committee (CARC)  
Canadian Auto Workers (CAW) Social Justice Fund  
Canadian Environmental Law Association (CELA)  
Canadian Nature Federation (CNF)  
Canadian Parks and Wilderness Society (CPAWS)  
Citizens' Mining Council of Newfoundland  
Development and Peace  
Environmental Mining Council of British Columbia (EMCBC)  
Innu Nation  
Inter Pares  
Kairos: Canadian Ecumenical Justice Initiatives  
Northwatch  
Sierra Club of Canada  
Sierra Legal Defence Fund  
Steelworkers Humanity Fund  
Yukon Conservation Society (YCS)



MiningWatch Canada staff, from left to right: National Coordinator Joan Kuyek, Research Coordinator Catherine Coumans, Communications Coordinator Jamie Kneen, and Coordinator of the Canada Program Mel Quevillon.



**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 busy and challenging year for the organization. We have seen the growth of a strong and better informed leadership in Canada on mining issues. In a year when the industry expected to make enormous strides in their “social licence to operate” through the release of the much-vaunted Mines, Minerals and Sustainable Development (MMSD) report and the industry conference Resourcing the Future, we have managed to make the overwhelming social and environmental costs of mining a key issue in all debates.

## **Highlights**

### **Web site:**

The MiningWatch Canada web site is an indication of our success. This year has seen an overall three-fold increase in traffic on our web site, which was already three times the previous year's usage. Users come from all over the world, from

a huge range of organisational and institutional as well as private addresses. The amount of material available also increased. There are now about two hundred web pages and over a hundred downloadable documents, plus the on-line photo galleries and acid mine drainage maps.

### **Conferences and workshops:**

This year, in addition to October's “Strengthening Our Voices” conference, we conducted workshops on mining issues in Canada at the People and the Planet Conference, for the Taiga Rescue Network, at the Conservation Activists meeting and in a number of school and university classes. We also undertook the libel chill workshop and the CERLAC conference.

### **Abandoned Mines:**

The National Orphaned/Abandoned Mines Initiative (NOAMI) is a committee that was established last year out of a conference we helped to initiate. It is a creature of the Mines Ministers' Intergovernmental Working Group and reports to them. Funding is on an ad hoc basis. MiningWatch sits on the committee as one of two representatives from the Canadian Environmental Network (CEN). There are also two Aboriginal representatives. In 2002, three task groups were set up to prepare reports for the annual Mines Ministers meeting in September. These were: community involvement, legislative barriers to collaboration and the national inventory. A new task group has been struck for 2003 on Funding Models for Remediation.

### **Mine Toxicity:**

We have also been participating in scientific workshops about mine toxicity, mostly government-run: the Arsenic Technical Workshop, the Mining Effluent Neutral Drainage workshops, the Toxicity In Mine Effluents (TIME) workshop, and in the multi-stakeholder processes around the Fisheries Act, including the Metal Mining Effluent Regulation amendments.

### **Ensuring mining impacts are on the federal agenda:**

With the CEN Toxics Caucus we have been working to get mining included in the National Pollutant Release Inventory. The Minister of the Environment has indicated that a new multi-stakeholder process to look at this will be undertaken next year.

We have also been supporting a Toxics Tax – a federal excise tax to discourage polluters – through the Green Budget Coalition. This year we made presentations to the Standing Committee on Environment and Sustainable Development, and the Standing Committee on Finance.

## **International Solidarity**

### **Marcopper (Philippines):**

We have worked to keep the dangers of the Marcopper mine in the public eye. When President Arroyo and Congressman Edmund Reyes visited Canada in January we were able to get the issue raised with Prime Minister Chrétien. We have been working with a team at the United States Geological Survey (USGS) on the technical issues, and raised the issue at the Placer Dome's Annual General Meeting in April.

### **Bulyanhulu (Tanzania):**

We continue to demand an independent inquiry into forcible evictions and alleged deaths at the Bulyanhulu mine in Tanzania. We arranged for an NGO fact-finding mission headed by Kathleen Mahoney, Acting Dean of Law at



Spill at TVX's Stratonii mine in Greece, December, 2002. (Maria Kadoglu photo)

the University of Calgary and Chair of Rights and Democracy, to travel to the area in March; they were denied access, but undertook a number of interviews with survivors. We also arranged for Tundu Lisu, the LEAT lawyer who had researched the case, to travel to Edmonton in June.

#### **TVX (Greece):**

We engaged Bill Mackasey, a well-known geologist, to undertake a study of subsidence at Canadian mine sites, and kept the issue in the news.

#### **Tambogrande (Peru):**

Ensured that Francisco Ojeda, the leader of the opposition to the Manhattan Minerals Gold mine project in Tambogrande, spoke to the CERLAC conference, and arranged tour in Toronto and Ottawa afterwards to meet with journalists, government, and NGOs, as well as helping ensure that Canadian observers were able to be present for the June plebescite.

#### **Gabriel Resources (Romania):**

Together with Friends of the Earth and Greenpeace, we arranged the tour of Codruta Nedelcu, a geologist employed by the citizens' group Alburnus Maior, to Toronto and Ottawa in late September to meet with government officials, journalists, and interested public.

#### **Global Networks:**

We are an active member of the Western Mining Activist Network Steering Committee, and work with the Mineral Policy Centre and Project Underground in the USA, and the Mineral Policy Institute in Australia, on a number of international issues. We also work closely with the Indigenous Environmental Network (IEN) in North America and an extensive network of non-governmental organisations in Africa, Central and South America, the South Pacific, and South-East Asia.

#### **Directors and Staff:**

We have had changes in both the Board of Directors and the staff.

Daniel Ashini, Joe Tsannie, Yves Rochon, and Ken Traynor have left the Board of Directors. Their work and wisdom will be missed. Will David, Yasmin Jiwani, Richard Nuna, and Serge Ashini Goupil joined.

Meanwhile, staff at Mining-Watch Canada was increased by one full-time position in June, with the addition of Mel (Melanie) Quevillon as Co-ordinator for Canadian Program in June. We are delighted to have her with us. Over the course of the year, other staff have taken on aspects of the regional organizer work. We are well aware that it is a shared responsibility, although Mel will be the core staff for it. Mel travelled to Nitassinan this fall as well as Winnipeg, North Bay and Sudbury. She is fully trilingual in English, French, and Spanish, and has the ability to work well with indigenous communities.

Other staff remains the same, with Jamie Kneen, Catherine Coumans, and Joan Kuyek as program staff, and Larry Frazer acting as accountant.

We have also made use of contract workers this year, and have been pleased to have Carrie Grable working on a contract to look at how mining has been taught in the schools and develop a project to address it and develop more comprehensive curriculum materials. In the summer we had a student, Sara Alstedt, who worked inputting data on the Motherlode database about Noranda and other mining companies.

#### **A year in the life of MiningWatch Canada:**

**January:** Release of *The Boreal Below: Mining Issues and Activities in Canada's Boreal Forest Region* on CD and on the web site. Jamie attends the South American regional mining activist meeting in Santiago, Chile. Philippine Congressman Reyes visits Ottawa with President Arroyo and makes Placer Dome's Marinduque legacy a focus of the visit.

**February:** Joan delivers the Peter McGregor Lecture in Sault Ste Marie. We take part in a Valentine's Day meeting on conflict diamonds. Concerned about issues of libel chill, we organize a workshop for ourselves and other Ottawa-based non-governmental organisations, funded by Inter Pares and led by Brian MacLeod Rogers, a lawyer with extensive experience in libel law. We make a submission to the Standing Committee on Environment and Sustainable Development regarding amendments to the Canadian Environmental Assessment Act. Jamie attends the Canada-Africa Forum of the Canadian Council for International Cooperation (CCIC).

**March:** Our Annual General Meeting in Vancouver includes workshops on abandoned mines; a visit to the community at Britannia gives us a close-up view of the problem at North America's worst point source for metal contamination. The Board holds a two-day meeting afterward. Later, Joan is in Toronto for meetings with World Mines Ministers Forum and the National Orphaned/Abandoned Mines Advisory Committee. Mining-Watch helps organize and participate in the NGO Fact-finding Mission to Bulyanhulu, Tanzania.

**April:** Joan speaks at a conference in Sudbury sponsored by Canadian Auto Workers (CAW) Mine Mill Local 598 on Globalization and Mining. Catherine attends a meeting of the MEND (Mine Effluent Neutral Drainage) working group, sponsored by Natural Resources Canada (NRCan).

**May:** We appear before the Standing Committee on Finance with the Green Budget Coalition to talk about the clean-up liabilities for abandoned mines. A conference co-sponsored with CERLAC

(York University's Centre for Research on Latin America and the Caribbean) on Canadian mining companies in Latin America is a big success. Afterwards eight Latin American mining activists travel to Ottawa to meet with government and NGOs. Catherine travels to Bali, Indonesia for a meeting of South East Asian activists and the preparatory meeting for the Johannesburg World Summit on Sustainable Development (Prep Com IV). We attend the annual meetings of the Canadian Council



Left to right: Francisco Ojeda, David Szablowski, and Nedjo Rogers at the CERLAC conference, York University, May 2002. (J. Kneen photo)

for International Cooperation (CCIC) and the Canadian Environmental Network (CEN). Ted Kombo from Kenya comes to Ottawa to talk about Tiomin's proposed mine at Shimoni. We participate in the Canadian Boreal Trust meeting and present a workshop at the Conservation Activists Meeting.

**June:** Mel Quevillon starts work with MiningWatch. A "toolkit" on Submarine Tailings Disposal, written by Catherine together with Project Underground, is launched. It is intended to help communities affected by the dumping of tailings in the ocean, and it includes a number of case studies from Indonesia, Papua New Guinea and the Philippines.

- We present two workshops at the People and the Planet conference in Kingston, Ontario. Jamie attends the Indigenous Environmental Network's *North American Indigenous Mining*

Summit in Mole Lake, Wisconsin. Joan participates in Partnership Africa Canada's conflict diamonds strategy meeting. The residents of Tambogrande, Peru vote 94% against mining and in favour of agriculture with a turnout of 70%.

**July:** The Globe and Mail reports on the federal contaminated sites inventory; we do a press release with Sierra Club. A pit wall collapses at Cameco's Kuntor Mine in Kyrgyzstan, killing one worker.

**September:** Codruta Nedelcu visits from Romania to talk about Gabriel Resources' proposed mine at Rosia Montana. We present a workshop and participate at the Taiga Rescue Network meeting in Winnipeg.

**October:** Winnipeg is the setting for our face-to-face Board meeting and for the *Strengthening Our Voices* conference, which brings together 68 leaders (44% Aboriginal) from communities and organizations advocating for more responsible mining practices for training and strategic planning. The evaluations of the workshop were very positive, and we know that participants are in touch with each other as well as ourselves.

- Mel and Carrie go to Sudbury for meetings with community representatives. The Auditor-General's report on northern abandoned mines is released, affirming what we had been saying all along about these toxic sites – we hold a press conference with CARC and the Sierra Club.
- The World Bank's Compliance Advisor/Ombudsman's releases her report on the forced relocation at Bulyanhulu.
- A major research initiative undertaken together with the Pembina Institute bears fruit with the release of *Looking Beneath the Surface: An Assessment of the Value of Public Support for the Metal Mining Industry in Canada* in Vancouver, Whitehorse, Ottawa and Toronto.
- Mel visits the Innu Nation at Sheshatshiu, but Inco refuses to let her visit Voisey's Bay.
- We attend a meeting of the National Round Table on the Environment and the Economy (NRTEE) in Ottawa.

**November:** We attend meetings of the Halifax Initiative, the National Orphaned/Abandoned Mines Advisory Committee, the NRCan Arsenic workshop and the NRCan Indicators workshop and the Common Front on the World Trade Organisation.

**December:** Catherine is in Vancouver for a meeting of the MEND Steering Committee, workshops on Acid Rock Drainage, and the Philippine Human Rights Symposium. Jamie attends the CAW Mining Council meeting in Toronto. TVX Gold's lead-zinc mine in Greece starts spilling vast quantities of contaminated mine waste into the (formerly) scenic Bay of Ierissos.

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

- Walter and Duncan Gordon Foundation
- The EJLB Foundation
- The Canadian Boreal Trust
- The Metcalf Foundation
- The Samuel and Saidye Bronfman Family Foundation
- Inter Pares
- Development and Peace
- Rights and Democracy
- Kairos: Canadian Ecumenical Justice Initiatives
- Brainerd Foundation

- Sara Alstedt
- Carrie Grable
- Center for Science in Public Participation
- International Development Research Centre
- Centre for Research on Latin America and the Caribbean
- CAW Social Justice Fund
- CAW Mining Council
- Steelworkers Humanity Fund
- Roch Tassé
- Primates World Relief and Development Fund
- Training Resources for the Environmental Community

### **MiningWatch Canada Advisors**

- Stephen Hazell
- Ovide Mercredi
- Dr. Donna Mergler
- The Very Rev. The Hon. Lois M. Wilson
- Moiria Hutchinson
- Dr. Isobel W. Heathcote
- Chief Earl Commanda

### **Board of Directors**

MiningWatch Canada is a federally registered non-profit society. The Directors have expertise and experience in geoscience, human health sciences, 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

#### Treasurer

*Jean Symes, Ottawa, Ontario*  
Program Officer, Inter Pares

#### Secretary

*Kevin O'Reilly, Yellowknife, Northwest Territories*  
Research Director, Canadian Arctic Resources Committee

#### Directors

*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



SAGE Council members Pamela Malone and Laurie Weahkee (seated) present "Power Map" methodology at the North American Indigenous Mining Summit, Mole Lake, Wisconsin. (J. Kneen photo)

- Sarah Johnnie, Ross River, Yukon*  
Consultant
- Sue Moodie, Whitehorse, Yukon*  
Toxicologist, CCSG Consulting
- Ken Luckhardt, Toronto, Ontario*  
Canadian Auto Workers International Department
- William David, Akwesasne Mohawk Territory*  
Environmental Engineer
- Yasmin Jiwani, Montréal, Québec*  
Professor of Communications, Concordia University
- Richard Numa, Sheshatshiu, Labrador*  
Environmental Officer, Innu Nation
- Serge Ashini Goupil, Sept-Îles, Québec*  
Consultant



Ouseley Hanvey Clipsham Deep LLP  
chartered accountants

## AUDITORS' REPORT

To the Members,  
MiningWatch Canada / Mines Alerté Canada:

We have audited the statement of financial position of MiningWatch Canada / Mines Alerté Canada as at December 31, 2002 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, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ottawa, Ontario  
February 4, 2003

OUSELEY HANVEY CLIPSHAM DEEP LLP  
Chartered Accountants

**MININGWATCH CANADA / MINES ALERTE CANADA**STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2002

	2002	2001
<b>CURRENT ASSETS</b>		
Cash	\$ 67,972	\$ 96,855
Accounts receivable	13,142	37,050
Prepaid expenses	1,296	1,296
	<u>\$ 82,410</u>	<u>\$ 135,201</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 12,739	\$ 6,839
Deferred revenue (note 2)	34,632	99,852
	<u>47,371</u>	<u>106,691</u>
<b>NET ASSETS</b>		
Balance - beginning of year	\$ 28,510	10,125
Excess of revenue over expenditure for the year	6,529	18,385
	<u>35,039</u>	<u>28,510</u>
	<u>\$ 82,410</u>	<u>\$ 135,201</u>

**MININGWATCH CANADA / MINES ALERTE CANADA**STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDING DECEMBER 31, 2002

	2002	2001
<b>REVENUE</b>		
Grants	\$ 36,000	\$ 36,700
Program generated	125,752	106,621
Foundation grants	276,220	229,350
Memberships, interest and other	6,442	6,592
	<u>444,414</u>	<u>379,263</u>
<b>EXPENDITURE</b>		
Council meeting coordination	29,898	19,801
Conferences and meetings	47,249	1,376
Technical support and start-up	41,912	45,129
Publicity and publications	43,695	13,164
International program	107,909	117,930
Domestic program	86,163	89,790
Operating	25,427	27,672
Administration	55,632	46,016
	<u>437,885</u>	<u>360,878</u>
<b>EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	<u>\$ 6,529</u>	<u>\$ 18,385</u>

# MININGWATCH CANADA / MINES ALERTE CANADA

## NOTES TO FINANCIAL STATEMENTS

December 31, 2002

### 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-government 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 totalled \$2,760 (2001 - \$2,500).

#### (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 \$9,000. The organization also has a lease commitment for the telephone system which expires in 2006. Annual lease payments are approximately \$800.

