



*MiningWatch Canada*

# ANNUAL REPORT 2003



### **MiningWatch Canada Advisors**

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

### **Members in 2003**

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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Cover, clockwise from top: Closing rally of regional 3-day general strike held in Tambogrande, Peru, November 5 -7, 2003, to protest public hearings that could lead to approval of Manhattan Minerals' proposed mine (according to the local pro-mining newspaper *Correo* 10,000 people came out to the closing rally; Tambogrande's population is 16,000) – photo courtesy Ernesto Cabellos/Guarango Cine y Video; Flannigan Slough in the Taku just below the confluence with the Tulsequah River – photo by Mark Connor; Bottom of arsenic vault at Giant mine (Yellowknife) showing seepage – photo courtesy Kevin O'Reilly.



## MiningWatch Canada

MiningWatch Canada is a coalition of seventeen environmental, social justice, labour, Aboriginal and development organizations. We were formed five years ago because these diverse organizations saw the urgent need for a co-ordinated public interest response to the powerful mining lobby, a lobby which undermines the regulation of mining in Canada and by Canadian companies operating internationally.

We work by:

- supporting communities affected by mining through research, technical assistance, the review of technical documents, capacity building, meetings and exchanges, and campaigning.
- carrying out major, academically-credible research projects on issues that our members and the communities bring to us, such as abandoned mines and mine closure, the full costs of mining to the public purse, the health impacts of mining on communities, issues of mining in remote areas or in the boreal forest, or submarine tailings disposal.
- Advocating for changes to law and policy that enable irresponsible mining in Canada and by Canadian companies operating internationally.
- Working with coalitions and with allies in submitting briefs

*"In its short existence, MiningWatch Canada has changed the landscape when it comes to the discussion about mining in Canada."*  
(Mark Winfield, Pembina Institute)

to government and participating in government-led multi-stakeholder consultations.

For five years our small staff has been working with our members and other groups in

Canada to represent the interests of the environment and local communities as opposed to the profits for mining companies.

### Highlighting 2003 Successes!

With our partners, we celebrate the following achievements for responsible mining practices in 2003:

#### National

- National Orphaned and Abandoned Mines Initiative gets continued support from Mines Ministers, community involvement guiding principles released, web site, funding models report.
- Commission on Environmental Cooperation (under the North American Free Trade Agreement, NAFTA) releases a damning factual record on the Britannia Mine.
- \$175 million from Federal government for contaminated site announced in February 2003, \$4 billion announced in Speech from the Throne in February 2004: northern abandoned mines are priorities on the list.
- Graphite Mountain withdraws claims on private land in southern Ontario.
- Ban Asbestos Canada network formed.
- Placer mining is brought under the Fisheries Act.
- Canadian Mining Regulation amendments withdrawn.

#### International

- World Bank Extractive Industries Review recommends no funding for riverine or submarine tailings disposal; no funding for extractive industries that cannot contribute to local economies and improve human rights.
- Proposed mines at Tambogrande (Peru), Esquel (Argentina), and Rosia Montana (Romania) have not gone ahead.
- International No-Alumysa coalition is formed. Noranda puts Alumysa plans on hold.

- APR phosphate mine - opposed by the community - not going ahead in Thailand.
- Placer Dome withdraws from Meratus project, Indonesia.

### What we were able to accomplish in 2003:

#### 1. Canadian Community support and networking

- 1) Visit with communities, and figure out how to help with specific problems; Provision of technical assistance to communities as requested; find resources to do this.
  - In this year we provided technical assistance to people in twenty-one Canadian communities from people in Red Lake asking about arsenic trioxide contamination to support of private land-owners in Ontario trying to change the Mining Act to support for Oka residents fighting a proposed niobium mine.
- 2) Strengthen regional networks and build capacity - highlights:
  - Sat on the Steering Committee of Western Mining Action Network and assisted in planning fall conference in Vancouver. Over 50 Canadians attended, mostly Aboriginal.
  - Worked with Nibinamik First Nation and others to organize a two day conference on impacts of mining for Matawa First Nations in Thunder Bay, April 2-3.
  - Traveled to northern Saskatchewan in June to meet with groups involved in uranium issues. Brief and attendance at hearings of CNSC on Rabbit Lake licence renewal.
  - Presented a paper on asbestos mining in Canada at *Canadian Asbestos: A Global Concern* conference in September.
- 3) Web site: maintain and develop issues section of the web site; find ways to make it more useful and accessible as an organizing tool.
  - Usage statistics for 2003: 477,092 requests from 64,638 hosts who downloaded 192,181 pages. There was a steady increase over the year: 18% in requests, 47% in visitors. On average there were 9175 requests per week from 1243 hosts, downloading 6006 pages, increasing over the year.
  - There is still great interest in documents that were published in 2001 and 2002, and interest in the French and Spanish sections of the web site is also growing. Visitors to the web site come from Canada all over the world (except China), and include commercial, industrial, academic, military and civil society organizations.

#### 2. International Work - Highlights in the past year

**New Caledonia** - In March, at the request of indigenous Kanak chiefs from New Caledonia, we arranged a tour of eight Kanak chiefs to Toronto, Ottawa, and Montreal. The Kanaks are facing an enormous lateritic nickel operation proposed by Inco that is likely to damage the coral reefs. MiningWatch and the Kanak delegation met with Ministers offices and officials, with indigenous representatives and environmental organisations in Canada, and with investors and journalists. The chiefs' tour was a fact finding opportunity for the Kanaks to learn more about mining, impact and benefit agreements, environmental assessment and closure planning; a solidarity and international-

*I wish to once again express to MiningWatch Canada... our greatest gratitude for the exceptional work accomplished in preparing for the arrival of our delegation. Without your efforts, many of our meetings would not have been possible... Accept our thanks and we extend a message of support and solidarity for all of the work that you do to help those people who, like us, search for the best way possible to have our rights recognised. (Raphaël Mapou, President, Rhéébu Nùu Committee, New Caledonia)*

al linkages building exercise; and a chance to send strong messages to government and Inco.

**Chile** - In April, we arranged the tour of a Chilean activist and a Chilean MP who were trying to stop the Alumysa aluminium smelter in Patagonia in Chile. They wanted to learn more about Noranda operations in Canada, as well as publicizing their own issue and building solidarity with other organizations. They visited Danville/Asbestos and met groups opposed

*“MiningWatch Canada’s accomplishments in 2003 are very impressive and one can only agree with the March 2003 assessment of its key collaborators and partner organizations that it “has changed the landscape when it comes to the discussion about mining in Canada” and that it forms “an interesting mix of science, activism and law.” (Robert Alain, Executive Director, EJLB Foundation)*

to the Magnola smelter; held a press conference in Montréal; visited with trade unionists from CSN and USWA in Rouyn Noranda and Montréal; and met with CAW trade unionists who came

from Timmins and Sudbury to Toronto for the day in solidarity. MiningWatch co-ordinated the international coalition opposing the smelter.

**Nicaragua** - We published a report on abandoned mines in Bonanza and La Libertad, Nicaragua, that had been owned by Greenstone Resources, but left a devastating situation behind when the company collapsed.

**Romania** - MiningWatch has been part of an international coalition working with the local organization - Alburnus Maior - working to stop an open pit cyanide leach gold mine in the Apuseni Mountains owned by Canadian Gabriel Resources. By the end of 2003, the mine was still in limbo, and opposition was growing.

**Peru** - The Tambogrande mine - which would threaten a mango and lime growing agricultural region and relocate a town of 5000 people - has been stopped by the Peruvian government. MiningWatch Canada coordinated Canadian response to the project.

**Thailand** - Proposed changes to mining laws to accommodate a potash mine proposed by Canadian company APR have been held up have met stiff opposition and mine has not yet gone ahead. MiningWatch Canada has been working with Thai villagers to organize international opposition to the mine.

**Philippines** - We worked with Philippine mining activists to oppose the New Mineral Policy, to support the clean up of the Marinduque mines abandoned by Placer Dome and to support the Subanon people who are opposed to TVI Pacific’s open pit gold mine on their traditional territory. In October, at the request of the Subanon and others, we went to Mindanao to visit the Subanons’ traditional territory and see the TVI operation. We also intervened in a tour organized by the World Bank and the Canadian government of Philippine community members to showcase Canadian mines.

**Indonesia** - We provided technical support and capacity building for Dayaks opposing a mine in a protected area called Meratus that was proposed by Placer Dome. Placer Dome has now withdrawn the mine proposal.

### 3. Research on industry and impacts

Some of the research activities we undertook this year:

- *No Rock Unturned*: a project to examine ways and means to revitalize the economies of mining-dependent communities, and to make policy recommendations based on these findings.
- Development of *Overburdened: Women, Mining & Health* project.

- Company-specific work on Noranda - preparation of Magnola, Kidd Met, and Horne smelter case studies, keeping communities informed.
- Research on social and environmental impacts of diamond mining.
- Contributed two case studies to *Seven Deadly Secrets: what EDC does not want you to know*.

### 4. Issue Focused Work

To make changes to specific law, policy, regulation and bureaucracy that enable irresponsible mining; to improve investor sector responsibility

#### National

- Actively worked with the Green Budget Coalition on Full Cost report delivery and follow-up to change subsidies and taxation. Presentation to Senate Committee on Banking.
- Continued work with National Orphaned/Abandoned Mines Initiative on the “Legislative Barriers”, “Community Involvement” and “Funding” Task Groups. Mines Ministers agreed to continue to fund the work. Pamphlet on *Community Involvement Guiding Principles* finalized. Web site established.
- Worked for inclusion of mining in the National Pollutant Release Inventory (NPRI). Government introduced regulations for CEPA this year. We have written Cabinet asking for inclusion of mining in NPRI.
- Proposed changes to the Canadian Mining Regulations were withdrawn after WCELA, CARC, CPAWS and ourselves made submissions.
- Submitted comments on the Golder Report on Diamond mining to Environment Canada.
- UNEP Convention on Prior Informed Consent for the Import of Hazardous Materials: letter to Environment Canada re: Canada’s position on chrysotile asbestos.
- We continue to actively participate in the Halifax Initiative, the Working Group on the EDC, the Africa Canada Forum and Americas Policy Group at CCIC and the Common Front on the WTO.

*“A strong team, good technical support and help finding experts; an interesting mix of science, activism and law; I am impressed by MiningWatch’s ability to move from issues to policy.” (Molly Kane, Inter Pares)*

### Presentations and submissions

- *Rhetoric vs. Reality: Investing as if Human Rights Mattered*. A presentation by Joan Kuyek to the Think Tank of the Board of Directors of Rights and Democracy on International Investment and Human Rights: Political and Legal Issues, Ottawa, Ontario, June 11, 2003.
- EBR registry Number: RA03E0015, Proposed EA exemption for disposition of Crown Land: Order to declare that the disposition of Crown resources and activities related to the administration, enforcement and carrying out of the Mining Act by the Ministry of Northern Development and Mines are not subject to the Environmental Assessment Act, June 4, 2003.
- Comments regarding amendments to the Canada Mining Regulations (CMRs), March 31, 2003.
- Comments on the Department of Finance’s Sustainable Development Strategy 2004-6, June 20, 2003.
- Presentation before the Senate Banking, Trade and Commerce Committee on Bill C-48 Regarding the Taxation of Industry and Natural Resources, November 5, 2003.

- Submission to Environment Canada: Analysis of “Environmental Review of the Diamond Mining Sector”, July 17, 2003.
- *Mining and the Schools* (two presentations), Science North, April 22, 2003.
- *Mining in Canada*, presentation by Catherine Coumans to a meeting of delegates from Philippine communities and the Canadian government, October 2003.
- *Submission to the Canadian Nuclear Safety Commission (CNSC)* regarding the renewal of Cameco Corporation’s mining operating licence for the Rabbit Lake Operation in northern Saskatchewan, August 25, 2003.
- *Asbestos Mining in Canada: A brief presented to the International Ban Asbestos Conference*, Ottawa, September 13, 2003.

“MiningWatch provides a place for an on-going conversation with other mining activists, creating space and resources for the work.” (Christine Cleghorn, Executive Director, Yukon Conservation Society)

- *Submarine Tailings Disposal: A Brief submitted to the Minister’s Advisory Council on Oceans*, November 2003.
- *Five Year Review of the Canada-Wide Accord on Environmental Harmonization: Comments Submitted by MiningWatch Canada*, November 7, 2003.

### Publications

- Newsletters: #11, 12, 13, 14.
- *No Rock Unturned: Revitalizing the Economies of Mining Dependent Communities*. Joan Kuyek and Catherine Coumans.
- *Taiga-News*, Guest Editor, Issue 45, Winter 2003.
- *Dam the Environment: the case against Noranda’s proposed aluminum smelter in Patagonia Chile*. Mel Quevillon, CERLAC Bulletin, Vol. 2, Issue 5 March 2003.
- *Canadian Mining Companies Destroy Environment and Community Resources in Ghana*. Asad Ismi.
- “We Cannot Just Speak About Things That Are Pretty”: *The Legacy of Greenstone Resources in Nicaragua*. Anneli Tolvanen.
- *A Response from the Authors to Mining Industry Criticism of “Looking Beneath the Surface: An Assessment of the Value of Public Support for the Metal Mining Industry in Canada”*. February 20, 2003.
- *Critique of Fraser Institute Mining Report*. Joan Kuyek, January 2003.
- *Mining, Stakeholders and Corporate Social Responsibility*, Centre for Research on Latin America and the Caribbean (CERLAC), York University (in press).

### 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  
 Inter Pares  
 Brainerd Foundation  
 Kelly Fritsch  
 Carrie Grable  
 Center for Science in Public Participation  
 International Development Research Centre  
 CAW Social Justice Fund  
 CAW Mining Council  
 Steelworkers Humanity Fund  
 Primates World Relief and Development Fund  
 Training Resources for the Environmental Community  
 Canadian Parks and Wilderness Society  
 Yukon Conservation Society  
 Doug Moffatt

David Thomson  
 Canadian Arctic Resources Committee  
 Lupina Foundation  
 The Atkinson Charitable Foundation  
 The Sage Foundation  
 The Douglas-Coldwell Foundation  
 Human Resources Development Canada  
 The Weeden Foundation  
 Julie Galipeau  
 Canadian Boreal Initiative

*I know personally that MiningWatch Canada has done tremendously laudable work in a number of human rights concerns, including the areas of mining and environment, indigenous peoples’ rights and the right to the people’s sources of subsistence. Your good organization has also established and nurtured partnerships with a lot of grass-roots and community-based organizations in areas affected by mining operations in Canada.* (Sammy Gamboa, Program Officer for Asia, Canadian Human Rights Foundation)

### 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

Lorraine Michael, St. John’s, Newfoundland  
 Executive Director, Women in Resource Development  
 Kevin O’Reilly, Yellowknife, Northwest Territories  
 Research Director, Canadian Arctic Resources Committee

#### Treasurer

Jean Symes, Ottawa, Ontario  
 Program Officer, Inter Pares

#### Secretary

William David, Akwesasne Mohawk Territory  
 Environmental Engineer

#### Directors

Brennain Lloyd, North Bay, Ontario  
 Executive Director, Northwatch  
 Evelyn Baxter-Robinson, Thunder Bay, Ontario  
 Lands and Resources Co-ordinator, Nishnawbe Aski Nation  
 Sarah Johnnie, Ross River, Yukon  
 Consultant  
 Sue Moodie, Whitehorse, Yukon  
 Toxicologist, CCSG Consulting  
 Ken Luckhardt, Toronto, Ontario  
 Canadian Auto Workers International Department  
 Richard Nuna, Sheshatshiu, Labrador  
 Environmental Officer, Innu Nation  
 Ron Maurice, Calgary, Alberta  
 Principal, Maurice Law  
 Laura Calmwind, Kenora, Ontario  
 Anishinaabeg of Kabapikotawangag Resources Council  
 François Meloche, Montréal, Québec  
 Researcher, Groupe Investissement Responsable  
 John McInnis, Victoria, British Columbia (dec’d)  
 Executive Director, Environmental Mining Council of BC



## AUDITORS' REPORT

To the Members,  
MiningWatch Canada / Mines Alert Canada:

We have audited the statement of financial position of MiningWatch Canada / Mines Alert Canada as at December 31, 2003 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, 2003 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 10, 2004

*OHCD LLP*

OUSELEY HANVEY CLIPSHAM DEEP LLP  
Chartered Accountants

**MININGWATCH CANADA / MINES ALERTE CANADA**STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2003

	2003	2002
<b>CURRENT ASSETS</b>		
Cash	\$ 9,692	\$ 67,972
Accounts receivable	81,051	13,142
Prepaid expenses	1,385	1,296
	<u>\$ 92,128</u>	<u>\$ 82,410</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,800	\$ 12,739
Deferred revenue (note 2)	73,629	34,632
Due to Canary (note 3)	13,263	-
	<u>88,692</u>	<u>47,371</u>
<b>NET ASSETS</b>		
Balance - beginning of year	\$ 35,039	28,510
Excess of revenue over expenditure for the year	(31,603)	6,529
	<u>3,436</u>	<u>35,039</u>
	<u>\$ 92,128</u>	<u>\$ 82,410</u>

**MININGWATCH CANADA / MINES ALERTE CANADA**STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDING DECEMBER 31, 2003

	2003	2002
<b>REVENUE</b>		
Grants	\$ 30,000	\$ 36,000
Program generated	98,174	125,752
Foundation grants	192,891	276,220
Memberships, interest and other	4,909	6,442
	<u>325,974</u>	<u>444,414</u>
<b>EXPENDITURE</b>		
Council meeting coordination	34,019	29,898
Conferences and meetings	29,438	47,249
Technical support	32,506	41,912
Publicity and publications	6,946	43,695
International program	53,589	107,909
Domestic program	129,442	86,163
Operating	17,913	25,427
Administration	53,724	55,632
	<u>357,577</u>	<u>437,885</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	<u>\$ (31,603)</u>	<u>\$ 6,529</u>

# MININGWATCH CANADA / MINES ALERTE CANADA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

## 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 \$2,017 (2002 - \$2,760).

### (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. RELATED ENTITIES AND TRANSACTIONS

On November 3, 2003 Canary Research Institute for Mining, Environment and Health (Canary) was incorporated without share capital, under the laws of Canada. The Board of Directors of Canary is currently comprised of directors of MiningWatch Canada. MiningWatch Canada has provided Canary with funding of \$13,263 during 2003. This amount is payable to Canary as at December 31, 2003.

Canary has not been consolidated in these financial statements. The following is a summary of the financial position of Canary as at December 31, 2003 and the results of operations for the period then ended.

	2003
<b>Canary</b>	
Total assets	\$ 13,263
Total liabilities	10,801
<b>Total net assets</b>	<b>\$ 2,462</b>
<hr/>	
Total revenue	\$ 13,263
Total expense	10,801
<b>Excess of revenue over expense for the period</b>	<b>\$ 2,462</b>

On March 24, 2003 Miningwatch was incorporated under the Oregon Nonprofit Corporations Act. The Board of Directors of Miningwatch is comprised mainly of directors of MiningWatch Canada. There was no financial activity in Miningwatch during the year.

## 4. COMMITMENTS

The organization has a lease commitment for office space which expires April 30, 2006. 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.

