



MiningWatch Canada

ANNUAL REPORT 2011



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Members in 2011

Bathurst Sustainable Development
Bedford Mining Alert
Canadian Auto Workers (CAW) Social Justice Fund
Canadian Environmental Law Association (CELA)
Canadian Parks and Wilderness Society (CPAWS)
Centre for Longterm Environmental Action
Newfoundland/Labrador (CLEANf/Ld)
Canadian Union of Public Employees (CUPE)
Development and Peace
Friends of the Earth
Friends of the Stikine Society
Innu Nation
Inter Pares
International Institute of Concern for Public Health (IICPH)
Kairos - Canadian Ecumenical Justice Initiatives
Mixedwood Forest Society
Nature Canada
Northwatch
Public Service Alliance of Canada
Rivers Without Borders
Sierra Club of Canada
Steelworkers Humanity Fund
Yukon Conservation Society (YCS)



MiningWatch Canada staff, from left to right: Latin America Program Coordinator Jen Moore, Communications and Outreach Coordinator Jamie Kneen, Canada Program Coordinator Ramsey Hart, Research Coordinator Catherine Coumans, and Administration and Resource Development Coordinator Susan Murdock.



MiningWatch Canada

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What is MiningWatch Canada?

MiningWatch Canada was formed in 1999 by environmental, labour, and aboriginal groups in Canada to institutionalise their work on mining issues, and by Canadian international development, human rights, and social justice groups to support partner organisations and communities in the “Global South” facing incursions and abuses resulting from the activities of Canadian mining companies.

Based on an understanding that domestic and international problems cannot be addressed in isolation, but that their resolution is interdependent, MiningWatch was created to forge and strengthen global linkages to support communities affected by mining and to bring about reforms that will prevent and punish irresponsible mining practices and address existing and past abuses.

MiningWatch Canada has become a strong voice in the development of policies to hold mining companies to account, whether they are operating in Canada or are Canadian corporations committing abuses overseas. Our Board and staff have expertise and experience in environmental policy and campaigning, community and labour organising, community economic development, organisational management and fundraising, international development and international solidarity, and indigenous rights.

What Guides Our Work

We believe in the free, prior, informed consent of aboriginal communities for mineral development on their traditional lands, and in ensuring the protection of natural capital and ecological health for future generations.

We provide advice to communities dealing with the effects of mining, and help them get the technical assistance and voice they need to defend their interests. We regularly respond to requests for information from other organizations, communities, First Nations, the media, filmmakers, investors, and students.

We facilitate linkages and exchanges between communities affected by mining and the organisations that represent and work with them so that they can share experiences and learn directly from each other – their, ideas, successes, and challenges. This way they do not have to face their struggles in isolation.

We collaborate with other organisations in coalitions and working groups around shared objectives, building networks to share information and ideas, and building working relationships between organisations.

We undertake credible research in response to requests from communities and interested organizations.

We advocate for regulatory change -- including regulating Canadian mining companies operating internationally. We have come to know that the environment will not be protected without strong regulation and well-staffed enforcement. There are occasions when this concern with public policy requires us to engage in the courts, in environmental assessments, and in other administrative processes.

We participate with industry and government representatives in many “multi-sectoral” initiatives. We are a founding member of the National Orphaned and Abandoned Mines Initiative and of the Canadian Network on Corporate Accountability. We are a member of the Canadian Council for International Cooperation, and as such abide by its Code of Ethics.

We understand mining to be essentially a waste management industry with short-term benefits and long-term consequences. Until we run out of metals or until our recycling and materials efficiency catch up with our consumption, mining will continue. But it needs to answer to much tougher standards, and it cannot be allowed to continue foisting its greatest costs and liabilities onto the public – and future generations.

Raising questions about the effects of mining and the ability of governments to monitor and control them is an important public service we are proud to provide.

Remembering Neskie Manuel

The MiningWatch community was deeply saddened by the tragic death of Neskie Manuel in June of last year. Neskie joined the MiningWatch Board in 2010. Throughout his time on the board he contributed a youthful perspective that was deeply grounded in his traditions as Secwepemc from the Neskonlith Band. An eclectic thinker, Neskie had a passion for his people’s culture and language. He was also fascinated by, and very adept at using, modern technology, and found creative ways to combine the traditional and modern. Examples of his creativity can be seen in the community radio station he founded and a hilarious video on Youtube about the disposable cup culture at his family’s service centre (search “ta7ks re cups” on Youtube). Neskie was deeply concerned about three major mining projects around Neskonlith and the implications of the projects for his people’s land and future. He was working with MiningWatch to compile dossiers on the projects while encouraging his community to consider alternative paths of development. His leadership was acknowledged when he was elected to Band Council and given the mining portfolio.

We miss Neskie very much but are thankful for all that he gave while he was with us.

Highlights of 2011

Policy reform to stop – and prevent – irresponsible mining in Canada

Protecting the quality and availability of water

Depleted water sources and water pollution are among the impacts of irresponsible mining operations, and they are growing in scale as increased demand for minerals leads companies to expand into sensitive watersheds.

In addition to public education and pressure on authorities to protect irreplaceable water bodies, our efforts to protect water bodies involve several strategies:

- Participating in environmental assessments of proposed projects;
- Research and presentation of papers on water issues to industry and government bodies;
- Policy work and participation in consultations to question the existence and use of Schedule 2 of the Metal Mining Effluent Regulations (MMER) under the Fisheries Act which allows a company to dump mine tailings into fish-bearing waters as long there is an approved compensation plan.

Our Supreme Court victory lives on...

This is to inform you of the changes that will be made to the federal environmental review process for the Matoush uranium exploration project. On January 21, 2010, the Supreme Court of Canada (SCC) rendered a decision in MiningWatch Canada v. Canada (Fisheries and Oceans). This decision had the effect of modifying how projects are scoped within the context of environmental assessments conducted pursuant to the Canadian Environmental Assessment Act (CEAA).

As a result, the environmental assessment will henceforth apply to all the activities and components of the uranium exploration project, whereas initially the federal review targeted only the underground ramp, related infrastructure and the mine camp site.

– July 2010 letter from the Canadian Environmental Assessment Agency to Strateco Resources

Integrity of the Canadian Environmental Assessment Act

The long-awaited Parliamentary review of the Canadian Environmental Assessment Act (CEAA) finally got underway in late October when the House of Commons Standing Committee on Environment and Sustainable Development began hearings, which were wrapped up barely a month later. Jamie Kneen testified on behalf of MiningWatch and also coordinated the mobilization of environmental groups across the coun-

try as co-chair of the Canadian Environmental Network's Environmental Planning and Assessment Caucus.

Making Canadian mining companies accountable internationally

Engaging with shareholders and bringing attention to Canadian companies' international operations

As a member of the Coalition Against Unjust Mining in Guatemala (CAMIGUA), which focuses on Goldcorp's Marlin mine, we are involved in analysing new developments, facilitating delegations, managing complaint processes, preparing urgent actions, media work, intervening at the company's annual shareholder meeting, and coordinating with students, researchers, and civil society groups in Canada and internationally.

Along with other members of CAMIGUA, and with the agreement of partners in the affected region, we developed a shareholder resolution that was presented at Goldcorp's 2011 annual meeting calling for suspension of the mine in voluntary accord with the precautionary measures of the Inter-American Commission on Human Rights, as well as a halt to land acquisition, exploration activities, mine expansion, and conversion of licences from exploration to production, based upon recommendations from a company-sponsored Human Rights Assessment. This initiative succeeded in generating significant media attention and grassroots mobilization. Votes in favour of the resolution reached 6%, enough to ensure that we can resubmit a shareholder resolution at coming meetings.

We made it possible for Carlos Amador of the Siria Valley Environmental Committee to travel from Honduras to Vancouver to take part in educational activities and attend Goldcorp's AGM where he addressed shareholders. "The company should recognize the impacts of their operations and listen to our concerns," he said. "The people in this meeting lack a conscience."

In September 2011, the Dow Jones Sustainability Index removed Goldcorp from its list. We were able to confirm that issues related to the Marlin mine in Guatemala were taken into account in the company's performance assessment.

Canadian government complaint mechanisms

In 2011, we were involved in three complaints to the Canadian government's "National Contact Point" (NCP) for the OECD Guidelines for Multinational Enterprises.

Our complaint about human rights abuses at Barrick Gold's Porgera mine in Papua New Guinea is one of the rare occasions on which the NCP takes a process to mediation.

In the case of Ivanhoe's Oyu Tolgoi project in Mongolia, the NCP's response contravened its own policies and the OECD Guidelines when it made a statement on the quality of Ivanhoe's environmental assessment.

Finally, the NCP's handling of the complaint about Goldcorp's Marlin mine highlights Canada's minimalist interpretation of its mandate in this area: it closed the complaint without determining whether the company had or had not complied with international standards that the Canadian government promotes.

This year also saw the first activity by the Extractive Sector Corporate Social Responsibility (CSR) Counsellor, established in 2009 as part of "Building the Canadian Advantage," the Government of Canada's CSR strategy for the Canadian extractive sector operating overseas. We were not directly involved in filing any of the complaints, and were very critical of the Counsellor's process as being even less rigorous and more ineffective than the OECD process.

Canada's only legal enforcement mechanism

In July 2011, the RCMP raided the offices of Blackfire Exploration Ltd. in Calgary, Alberta. The investigation was part of a probe put into motion after MiningWatch and eight other civil society groups handed information over to the RCMP in 2010 so it could initiate an investigation under the *Corruption of Foreign Public Officials Act*. The company had admitted channelling money to the mayor of Chicomuselo, Chiapas, Mexico. Community leader Mariano Abarca, who had led opposition to Blackfire's mining activities, was murdered on November 27, 2009; several Blackfire employees and contractors were arrested for the murder. The raid led to remarkable national coverage of the corruption accusations and Abarca's assassination.

International standards setting through the Initiative for Responsible Mining Assurance (IRMA)

This year saw progress on draft standards which are expected to be completed before the end of 2012 and will form the core of a Responsible Mining Standard. Work also began on a verification system that will be an integral aspect of this Standard.

Work with Aboriginal communities in Canada

The Tsilhqot'in National Government (BC) and the proposed Prosperity Mine: an unfinished struggle

The Tsilhqot'in National Government (TNG) has opposed this project since the early 1990s. In late 2009-early 2010, MiningWatch took part in Panel Review hearings at the request of Xeni Gwet'in First Nation and

the TN). The Panel's report agreed with us that the project's impacts on fish habitat were significant, that water treatment well into the future could create a significant burden on the province, and that the proposed habitat compensation plan was unlikely to succeed. In November of that year, the Federal Cabinet decided not to allow the project to proceed as proposed.

During 2011, we supported TNG's efforts to convince the federal government not to allow Taseko to resubmit a revised mine proposal. Despite the solid arguments to the contrary, in November, the Canadian Environmental Assessment Agency announced a new review panel would consider the revised proposal.

TNG Tribal Chair Chief Joe Alphonse was quick to respond: "We were hoping that the Canadian government would do the honourable thing and just turn the company down from doing another environmental review." He went on to comment that he worries that industry has too much influence in Ottawa.

The "Ring of Fire" in northern Ontario

The "Ring of Fire" is an area of northern Ontario that has seen a rapid growth in mineral exploration and potential developments in recent years.

Two projects, Cliffs' chromite project and Noront's copper-nickel project, have begun the environmental assessment process. Both are large and complex proposals with massive infrastructure development, power supplies, and processing facilities.

Unfortunately, the federal government did not heed our recommendations for a regional strategic environmental assessment. In mid-October, the CEAA announced that Cliffs' chromite project, the first to get to this stage, would begin a comprehensive environmental assessment process – a narrower, less rigorous, and less participatory process than a panel review.

Debating uranium mining in Nunavut

In early 2011, the Government of Nunavut invited public input through three community consultations and a newly created website to reevaluate its policy on uranium mining. As an invited speaker at these sessions, MiningWatch consistently provided strong and credible critical perspectives on the uranium industry.

Now undergoing an environmental assessment by the Nunavut Impact Review Board, the revived Kigavik uranium mining project was resoundingly rejected by the community of Baker Lake the late 1980s. The new proponent, the French company Areva, has worked hard to obtain local support for the project.

We worked with Nunavut's only environmental organization, Nunavummiut Makitagunarningit ("Makita") to provide a critical perspective on the process and guidelines for how the project will be reviewed.

Makita and others continue to have considerable concerns about the project, ranging from the capacity of territorial and federal regulators to effectively monitor and control the immediate and long-term impacts of the project, to the long-term management of radioactive and contaminated mine waste.

Our work in Nunavut provided an opportunity to collaborate with Pauktuutit, the Inuit Women's Association, to whom we provided information on the EA process and whose participation we have supported.

Focus on the Philippines

The Asian Forum on Corporate Social Responsibility invited Catherine Coumans to participate in its major conference. The visit also allowed her to visit communities on three islands where there is strong opposition to Canadian mining projects (in various stages of development) and mounting conflicts and repression. In Ramblon, she worked with local and national activists to document the situation across the island; in Palawan, she documented toxic siltation from MBMI Resources' mine.

Research and Publications

Economic Analysis of Ring of Fire Chromite Mining by Joan Kuyek, commissioned by MiningWatch Canada: a report that raises important questions about the viability and potential benefits of developing northern Ontario's chromite deposits. With tax credits for massive up-front capital costs and a 10-year tax holiday, Kuyek questions how much Ontario is likely to benefit.

Review of Tailings in Lakes: a paper for the 2012 International Conference on Acid Rock Drainage (ICARD) that analyses the considerable uncertainty and long-term risks associated with using lakes as toxic waste dumps. Co-authored by Ramsey Hart and Rachelle Gendron, interning with us on an Environment Canada Science Horizons grant.

Paper Presented at the Sudbury Mining and the Environment International Conference by Ramsey Hart and Rachelle Gendron: a review of the regulatory and policy framework for the disposal of mine waste into lakes and other natural water bodies, presented at a largely industry forum sponsored in part by the Ontario Mining Association.

Out of Our Depth: a groundbreaking case study on proposed deep sea mining in Papua New Guinea where

Canadian mining company Nautilus Minerals Inc. is set to embark on the unprecedented extraction of gold and copper from the floor of the Bismarck Sea.

Whose development? Mining, local resistance and development agendas, by Catherine Coumans: an examination of the interests and discourse of various stakeholders in the debate about 'mining and development' in the context of communities' struggles to protect the basis of their livelihoods and determine their own futures.

Occupying Spaces Created by Conflict (in Current Anthropology), by Catherine Coumans: an examination of the role of anthropologists, development organizations, and socially responsible investment companies in conflicts between indigenous Ipili and the Porgera Joint Venture gold mine in the highlands of Papua New Guinea.

Comments on the Draft Guiding Principles for the Implementation of the United Nations "Protect, Respect, and Remedy" Framework prepared by UN Secretary-General's Special Representative on Business and Human Rights (SRSG), John Ruggie, by Catherine Coumans: our analysis finds the 2011 Draft Guiding Principles do not fulfil the promise offered in the Framework but rather retreat from the very solutions previously identified as feasible.

Communications and social media

Our web site has been redesigned to highlight areas of focus and increase the audio-visual content. We have also been building a strong presence on Facebook (over 1,800 "friends") and Twitter account (over 2,220 followers), bringing together media, civil society, and industry as well as interested individuals.

In-house videos are used as a tool to draw in an increasingly diverse audience, such as those new to the issues and younger visitors, to our web site and/or our YouTube channel. In the case of the "Gómez series", pages were created in English and in Spanish to make these interviews accessible throughout the Americas.

Thanks to...

We would like to thank all those organizations and individuals who have helped us in the past year, as well as all those whose donations help make our work possible. We would like to publicly recognize the institutional donors listed in the auditors' statements that follow.

So far, exploration activities in the Ring of Fire have proceeded in the old fashioned, wild-west way. Despite promises to the contrary, the Ontario government has yet to play a leadership role in ensuring responsible exploration practices, adequate consultation and consent of First Nations, or conducting a sober review of the real potential of the chromite and other mineral deposits...If these deposits are going to be developed, we'll only have one chance to get it right.

– Ramsey Hart, at the launch of the Kuyek report.



INDEPENDENT AUDITORS' REPORT

To the Members,
MiningWatch Canada / Mines Alertes Canada:

We have audited the accompanying financial statements of MiningWatch Canada / Mines Alertes Canada, which comprise the statement of financial position as at December 31, 2011, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of MiningWatch Canada / Mines Alertes Canada as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

OHCID LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP
Licensed Public Accountants

Ottawa, Ontario
March 2, 2012

MININGWATCH CANADA / MINES ALERTE CANADASTATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011

	2011	2010
CURRENT ASSETS		
Cash	\$ 137,283	\$ 64,040
Short-term investments (note 2)	70,375	35,296
Accounts receivable	1,745	18,761
Due from Canary Research Institute (note 4)	92,348	119,836
Prepaid expenses	1,634	2,780
	<u>\$ 303,385</u>	<u>\$ 240,713</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 28,319	\$ 13,820
Deferred revenue (note 3)	79,809	35,685
	<u>108,128</u>	<u>49,505</u>
NET ASSETS		
Contingency fund - internally restricted (note 5)	132,000	115,000
Legal fund - internally restricted (note 5)	25,000	25,000
Unrestricted net assets	38,257	51,208
	<u>195,257</u>	<u>191,208</u>
	<u>\$ 303,385</u>	<u>\$ 240,713</u>

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
CONTINGENCY FUND		
Balance - beginning of year	\$ 115,000	\$ 65,000
Transfer from unrestricted net assets (note 5)	17,000	50,000
Balance - end of year	<u>\$ 132,000</u>	<u>\$ 115,000</u>
LEGAL FUND		
Balance - beginning of year	\$ 25,000	\$ 20,000
Transfer from unrestricted net assets (note 5)	-	5,000
Balance - end of year	<u>\$ 25,000</u>	<u>\$ 25,000</u>
UNRESTRICTED NET ASSETS		
Balance - beginning of year	\$ 51,208	\$ 89,098
Net revenue for the year	4,049	17,110
Transfer to legal fund (note 5)	-	(5,000)
Transfer to contingency fund (note 5)	(17,000)	(50,000)
Balance - end of year	<u>\$ 38,257</u>	<u>\$ 51,208</u>

MININGWATCH CANADA / MINES ALERTE CANADA

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
REVENUE		
Grants	\$ 256,826	\$ 282,014
Program generated (note 4)	289,178	214,573
Memberships, interest and other	15,329	15,549
	541,333	512,136
EXPENSE		
Council meeting coordination	30,460	18,767
International program	150,024	105,372
Domestic program	71,273	112,144
Effecting regulatory systems program	94,806	150,455
Communications program	96,494	29,950
Office and administration	94,227	78,338
	537,284	495,026
NET REVENUE FOR THE YEAR	\$ 4,049	\$ 17,110

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
CASH PROVIDED BY (USED FOR) OPERATIONS		
Net revenue for the year	\$ 4,049	\$ 17,110
Change in non-cash working capital items		
Accounts receivable	17,016	(12,777)
Due from Canary Research Institute	27,488	(65,813)
Prepaid expenses	1,146	(1,454)
Accounts payable	14,499	4,120
Deferred revenue	44,124	(4,231)
	108,322	(63,045)
INVESTING		
Redemption (purchase) of short-term investments	(35,079)	14,876
CHANGE IN CASH FOR THE YEAR	73,243	(48,169)
Cash beginning of the year	64,040	112,209
CASH END OF YEAR	\$ 137,283	\$ 64,040

MININGWATCH CANADA / MINES ALERTE CANADA

NOTES TO FINANCIAL STATEMENTS – DECEMBER 31, 2011

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-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 totaled \$nil (2010 - \$4,290).

(c) Revenue recognition

The Organization follows the deferral method of accounting for contributions.

(d) Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(e) Financial instruments

Short-term investments are accounted for as held-to-maturity and are recorded at cost plus accrued interest. Other financial instruments are measured at the initially recognized amount less appropriate allowances.

(f) Allocation of expenses

The Organization assigns salary costs directly to programs.

2. SHORT-TERM INVESTMENT

Short-term investments consist of two cashable GIC's that mature April 2, 2012 and earn interest at an annual rate of 1%.

3. DEFERRED REVENUE

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

4. 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. Canary is a Registered Charity and is not subject to income tax. The Board of Directors of Canary is currently comprised of two directors of MiningWatch Canada plus three other directors. During the year \$230,099 (2010 - \$169,844) of MiningWatch Canada's program generated revenue was from Canary. As at December 31, 2011 there is an amount due from Canary of \$92,348 (2010 - \$119,836).

Canary has not been consolidated in these financial statements. The following is a summary of the financial position of Canary as at December 31, 2011 and the results of operations for the period then ended.

	2011	2010
Canary		
Total assets	\$ 162,416	\$ 211,715
Total liabilities	143,482	196,815
Net assets	\$ 18,934	\$ 14,900
Total revenue	\$ 285,817	\$ 185,792
Total expense	281,783	175,808
Excess of revenue over expense for the year	\$ 4,034	\$ 9,984

5. INTERNALLY RESTRICTED FUNDS**CONTINGENCY FUND:**

During the 2006 fiscal year the Organization decided to set up an internally restricted contingency fund. The purpose of the fund is to address unforeseen changes in the organization's finances and to invest in projects for which ongoing funding is not available. During the year the organization transferred \$17,000 (2010 - \$50,000) to this fund.

LEGAL FUND:

During the 2009 fiscal year the Board of Directors decided to set up an internally restricted legal defence fund. The purpose of the fund is to provide funds for legal actions related to the objectives of the Institute. During the year the Organization transferred \$nil to this fund (2010 - \$5,000).

6. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, short-term investments, accounts receivable, due from Canary Research Institute, and accounts payable and accrued liabilities. Unless otherwise noted, it is the board's opinion that the Organization is not exposed to significant interest rate, currency or credit risks arising from its financial instruments and that the carrying amounts approximate fair value.

7. COMMITMENTS

The Organization has a lease commitment for office space which expires April 30, 2016. Annual lease payments including operating costs are approximately \$20,000.

8. CAPITAL DISCLOSURE

The Organization defines its capital as its net assets, which are not subject to external requirements. Management's objective, when managing capital, is to safeguard the Organization's ability to continue as a going concern, so that it can continue to provide services in accordance with its mission.

9. INSTITUTIONAL DONORS

The Organization is thankful for support from the following organizations:

- Canadian Auto Workers Social Justice Fund
- Canadian Labour Congress
- International Development Research Centre
- Inter Pares
- Ontario Public Service Employees Union
- Primate's World Relief and Development Fund
- Sigrid Rausing Trust
- Steelworkers Humanity Fund
- Wallace Global Fund