



NEWS RELEASE

Chamber commends Prime Minister's statements on regulatory reform

Yellowknife, NT – April 17, 2012. On behalf of the northern minerals industry, the Chamber of Mines commends the Prime Minister's recent statements about regulatory reform in Canada.

Prime Minister Harper: In order to attract more investment and further stimulate economic growth and job creation in Canada, our government has announced that it will streamline the review process for large-scale economic projects. Twelve months maximum for environmental assessments and twenty-four months for full panel reviews. Now in saying this, let nobody doubt for a moment that responsible resource development and environmental protection remain core Canadian principles. Indeed, principles which have led Canada to develop some of the most effective environmental regulations and most transparent monitoring programs in the world. And we expect that these principles will be respected, not just in Canada, but wherever Canadian mining companies and miners work.

Pamela Strand, President of the NWT & Nunavut Chamber of Mines said, "We are very encouraged with the Prime Minister's statements about regulatory reform and we are hopeful that new legislation will be available soon for Nunavut with the tabling of the *Nunavut Project and Planning Assessment Act*, and appropriate amendments will be made to the *Mackenzie Valley Resources Management Act* for the Northwest Territories. We are also encouraged with the Prime Minister's emphasis that efficiency in regulations and environmental protection go hand in hand."

In further commenting on the Prime Minister's speech, Ms. Strand said: "We were also encouraged to read the Prime Minister's important reminders about the challenges our industry faces, and recognition of the kind of support mining investment needs for success. This is no less important in northern Canada."

Prime Minister Harper: By the risky nature of their enterprise, resource developers value certainty – legal, judicial and regulatory certainty – and they rightly fear unequal or arbitrary changes to the terms of doing business. It has to be remembered that there is always a lot of uncertainty in the world as it is. Right now, for example, the mining industry is being tested by rising cost structures. Soaring resource prices might give the impression that mining companies are making easy profits. Less discussed is that the cost of inputs – notably skilled labour and fuel – is negatively impacting the economics of mining. So, if the national goal is to create a vibrant industry capable of yielding healthy returns and ongoing benefits to society, the collection of so-called windfall taxes must be approached with enormous caution. The ancient fable about the killing of the goose that laid the golden egg still contains much wisdom.

The full text of Prime Minister Harper's speech is attached.

For more information on the NWT and Nunavut mining industries, please visit the website at www.miningnorth.com or contact Tom Hoefler, Executive Director at Tel: 867-873-5281 or email: executivedirector@miningnorth.com.

Speech by the Prime Minister of Canada, The Right Honourable Stephen Harper

April 14, 2012 – Cartagena, Colombia

Ladies and gentlemen, resource development has vast power to change the way a nation lives. It is also something which is tremendously responsive to the actions of government.

Today I want to talk to you briefly about how to maximize the value of this great industry for a country and its people. I will focus on three things. First, what resource development means to Canada's economy, what government actions have worked for Canada, and finally, our country's recently announced regulatory reforms.

First, just as background.

Canada is right now one of the few strongly recovering, growth-oriented, developed economies. The relative strength of the Canadian economy has been shown through the recent worldwide recession and nascent recovery. It is based on a secure banking system, solid macroeconomic policies, open and transparent government institutions, and stable parliamentary politics.

That is not just our opinion. The World Economic Forum considers Canada's banks to be the soundest in the world, and of course, earlier this week Moody's came out and said the same thing. Forbes magazine ranks Canada as the best place on earth to invest, and the OECD and IMF continue to predict that the Canadian economy will be among the leaders of the industrialized world over the next two years.

Our natural resource sector is of vital importance in ensuring solid job creation and economic growth in Canada.

To give a sense of what our resource industries mean to the Canadian economy, to Canadian jobs and growth, mining alone is an important part of that, mining alone contributed 50 billion dollars to GDP in 2011. We are already the world's number-one potash producer, second for uranium, and a major global producer of most mineral and energy products. The mining industry in Canada is capital-intensive, high-tech and knowledge-based, and it produces well-paying jobs for more than 300,000 Canadians. It constitutes more than a fifth of our exports and it has close to 200 billion dollars in assets throughout the world. As well, some 60 per cent of the world's exploration and mining companies are listed on the Toronto Stock Exchange.

In other words, in Canada, we know this industry very well. And we know the good that it can do, and does do, for people, especially in a country like Canada, whose public policies have long been oriented toward widespread economic opportunity and social inclusion. And we know the good a government can do for the industry through prudent policy decisions.

Looking to the future, we see increased Canadian mining investment throughout the Americas, something that will be good for our mutual prosperity and is therefore a priority of our Government.

We are prepared to share our expertise in this area because, as part of our Americas' strategy, we are striving to promote prosperity, democracy and security throughout our hemisphere.

A couple of examples, the Canadian International Development Agency (CIDA) is funding the Andean Regional Initiative for promoting effective social responsibility. This initiative aims to help local governments and communities implement related development projects for the benefit of people living near mines or other development activities. Also, last year I announced the establishment of the Canadian International Institute for Extractive Industries and Development to bring together the best in government, private sector, academia and civil society expertise to help our developing country partners secure the greatest possible benefit from their natural resources.

With that in mind, today I am pleased to announce that our government will be making a sizeable contribution to the Inter-American Development Bank for projects related to energy efficiency and renewable energy. The Canadian contribution that I'm announcing today to the Inter-American Development Bank will support private-sector initiatives in energy efficiency, and renewable energy through repayable loans and loan guarantees.

Now ladies and gentlemen, my second point is on how Canadian public policy has evolved to nurture and encourage resource industries.

In the end, the approach that has worked for Canada has been a predictable regime and low taxes. Our reliable, low-tax regime encourages the long-term investment that produces high-paying, highly-skilled jobs in the mining sector. Our Government understands that low, predictable taxes encourage business to do business.

It is as simple as that.

So our Government is into its seventh year of comprehensive tax reduction, our federal business tax rate is now down to fifteen percent and we now have the lowest overall tax rate on new business investment in the G7. Of course, this low-tax regime supports investment and growth across the entire Canadian economy, but, obviously, with our natural resource endowment, the mining sector clearly benefits.

There is an additional element here, the stability of the tax system, not just the lowness of taxes, but the stability of the tax system, also matters.

By the risky nature of their enterprise, resource developers value certainty – legal, judicial and regulatory certainty – and they rightly fear unequal or arbitrary changes to the terms of doing business. It has to be remembered that there is always a lot of uncertainty in the world as it is. Right now, for example, the mining industry is being tested by rising cost structures.

Soaring resource prices might give the impression that mining companies are making easy profits. Less discussed is that the cost of inputs – notably skilled labour and fuel – is negatively impacting the economics of mining. When you see mining companies hedging their oil, which some now do, you know cost pressure on that line-item is top of mind.

So, if the national goal is to create a vibrant industry capable of yielding healthy returns and ongoing benefits to society, the collection of so-called windfall taxes must be approached with enormous caution.

The ancient fable about the killing of the goose that laid the golden egg still contains much wisdom.

So, as I have said, in Canada, we have coupled a low-tax policy with sensible, enforceable laws to create an attractive and stable investment climate.

Does that work?

Well, when the flow of dollars is reversed when South American mining companies are investing in Canadian mining opportunities, we think it is. And, of course, every investment, foreign or domestic, is a vote of confidence in the no-surprises Canadian approach to law, taxation and regulation.

However, we think we can do better, and that leads to my third point.

In order to attract more investment and further stimulate economic growth and job creation in Canada, our government has announced that it will streamline the review process for large-scale economic projects.

Our decision to streamline our regulatory review process for major economic projects is designed to ensure that decisions are both thorough and timely. Specifically, we mean to eliminate duplication between departments and overlap with our provincial governments. In other words: 'one project, one review.'

Now in saying this, let nobody doubt for a moment that responsible resource development and environmental protection remain core Canadian principles. Indeed, principles which have led Canada to develop some of the most effective environmental regulations and most transparent monitoring programs in the world. And we expect that these principles will be respected, not just in Canada, but wherever Canadian mining companies and miners work around the world. Almost invariably, they do, and Canadians are justly proud of our mining industry for its elevated sense of corporate social responsibility.

Let me make a second point about our regulatory reforms.

We cannot allow valid concerns about environmental protection to be used as an excuse to trap worthwhile projects in reviews-without-end. So, let me be clear, when it comes to evaluating development plans, one should not confuse the length of the process with the rigour of the science. What matters is that all relevant facts are fully considered, that need not take years. Therefore, as our Government is establishing new procedures, a single window for major-project reviews, we are also determined that these reviews shall be completed within clearly established time frames. Twelve months maximum for environmental assessments and twenty-four months for full panel reviews.

Now ladies and gentlemen, you have been very generous with your time and attention.

I would just like to say in conclusion that we believe in Canada that we have found the way to transform resource assets into a sustainable foundation for equitable national development.

And it is also an area in which we are more than pleased to work cooperatively with willing partners for mutual benefit.

Thank you."

... The Right Honourable Stephen Harper, Prime Minister of Canada