

Graphical Results

Uncertainty Concerning the Administration, Interpretation, and Enforcement of Existing Regulations

There has been an *“Increase in permit applications, paperwork, and regulatory costs instead of less as promised in B.C.”*

—President, junior mining company

“B.C. over the last ten years [has suffered] confusion on land tenure, tax, government attitude. A terribly complex regime for raising exploration funds, because of bureaucratic regulations. Some improvement appears to be on the way.”

—President, junior mining company

“BC [is the worst.] Can’t go on it, can’t work it, and probably can’t own it.” The province needs to *“Establish due process and title certainty.”*

—President, junior mining company

There are unfavourable policies in *“California... [where] [t]he state creates too much red tape.”* The state should try *“Providing permits without extensive delays.”*

—President, junior mining company

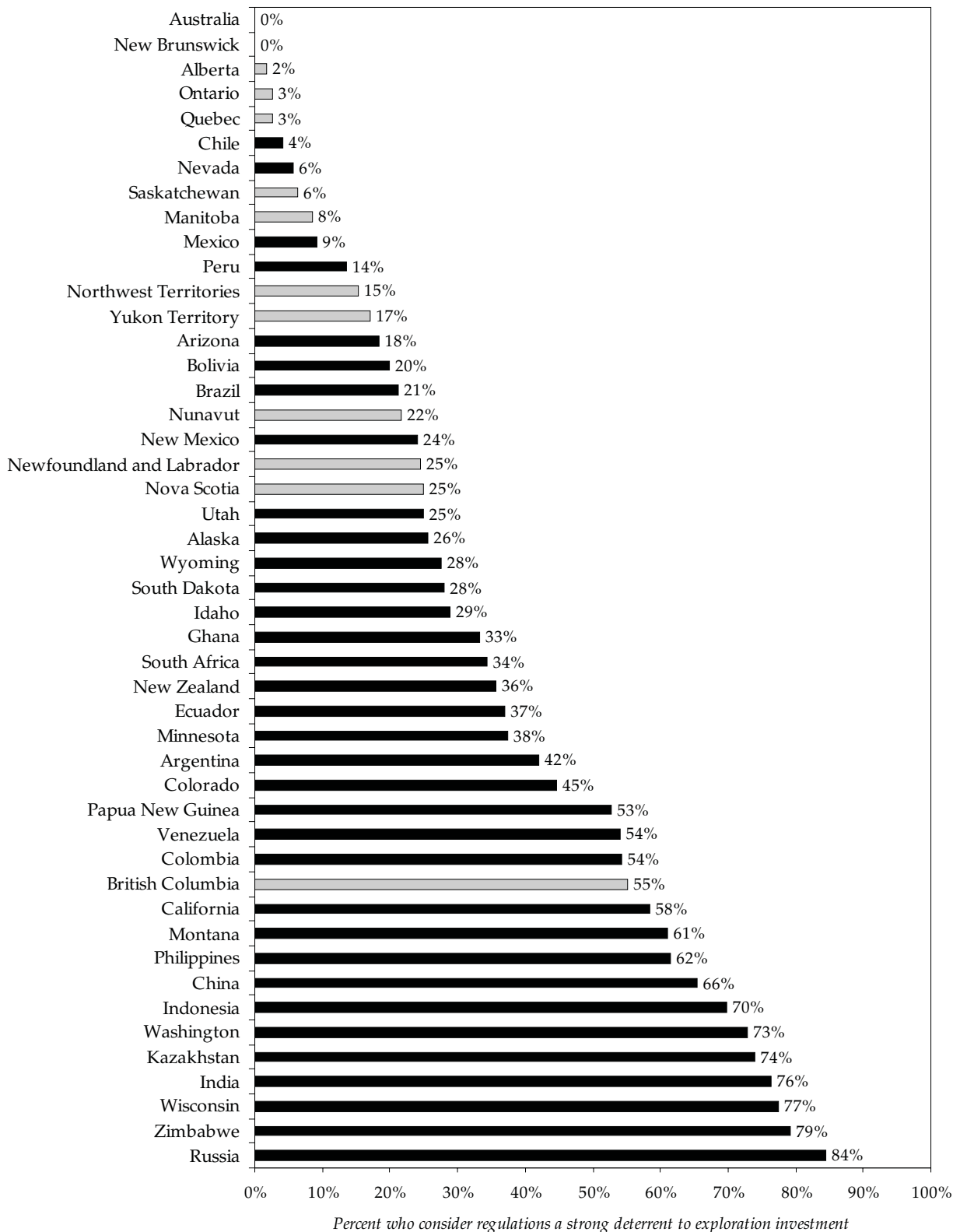
“Canada [has] too many overlapping permitting bodies (DoF) differing environmental standards etc. Not enough tax incentive for exploration.” The country should *“Create one common environmental permitting agency for all of Canada.”*

—President & CEO, junior mining company

“U.S. [provides] poor return on investment unless extremely low cost producer.” Also, *“too many capital expenditures related to regulations, environment, reclamation, [and] royalties. [They should] deregulate mining; industry standards of high quality to ensure compliance (environment...)”*

—Vice President Exploration, junior mining company

Figure 4: Uncertainty Concerning the Administration, Interpretation, and Enforcement of Existing Regulations



Regulatory Duplication and Inconsistencies

“In Ontario the permitting for exploration and development is quick and efficient through one agency/department.”

—President, junior mining company

In the US and Canada: *“1. Environmental liability is infinite (US). 2. High taxes (Canada). 3. Permitting—5 to 7 years? (both). 4. Securities Commissions over-regulate (Canada, BC). [They both need to] streamline [the] mine permitting process.”*

—Exploration Manager, junior mining company

“Saskatchewan [suffers] political interference, taxation, [and] overlap of regs.” The province should *“Significantly reduce political interference and adopt stringent cost/benefit regulatory regime.”*

—President, senior mining company

“Applied in early 2001 for a permit to open a ‘test’ mine under the B.C. Mines Act. Mining permit received summer 2001, waste/reclamation permit still not to hand. Project about to be abandoned.”

—President & CEO, junior mining company

“Canada [has] too much red tape and too stringent ... regulations that need to be followed.” It needs *“to promote mining and attract investment. Stop setting aside protected areas.”*

—Vice President, junior mining company

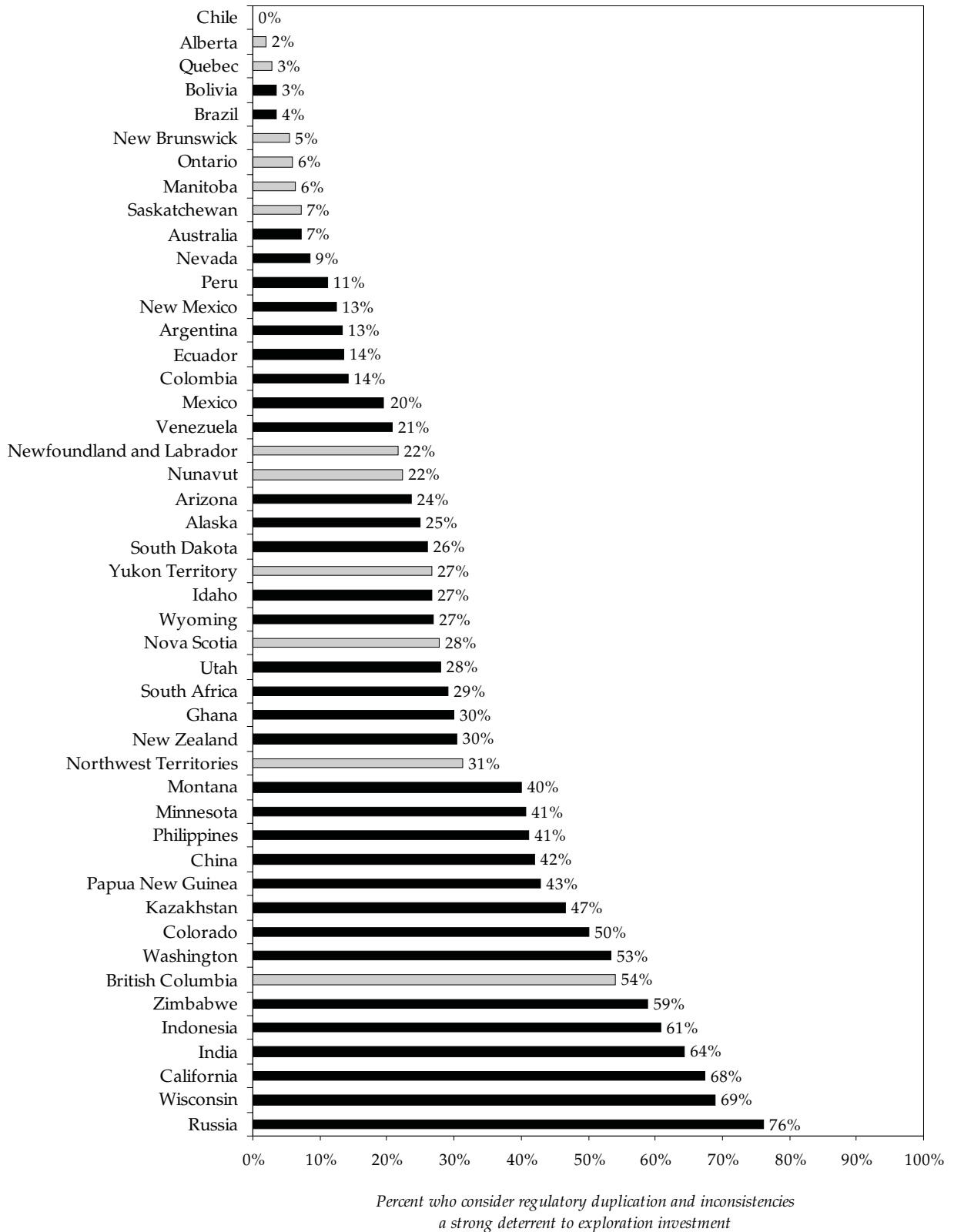
“Quebec [offers] high mineral potential, good infrastructure, good monetary incentives (tax structure), and strong provincial jurisdiction regarding resource administration, but this is because of the basic ‘hands off’ attitude of the federal government toward Quebec. If federal treatment were the same for all provinces, territories, and native bands then Alberta would be up there with Ontario because of their supportive attitude toward the hardrock and oil and gas sectors of the mineral industry.”

—President/COO, Chief Optimistic Officer, junior mining company

“The greatest difficulties in this business come from another direction—the ridiculous amount of filings and forms (and outrageous fees) demanded by the multiple securities commissions and stock exchanges. These seem to expand and change monthly.”

—President, junior mining company

Figure 5: Regulatory Duplication and Inconsistencies



Environmental Regulations

“U.S. [has] toooo many idiots! who work with junk science and who are out for control at any cost—Sierra Club, GreenPeace, the EPA, etc...” It needs to “Get back to the reality that the U.S. is dependent on metals to make the economy grow and prosper—same with energy.”

—President, junior mining company

In “British Columbia... the environmental and permitting agencies/departments that have been employed by the last government have been against mining. Therefore, they have done everything in their power to prevent any exploration and development... Lack of common sense on the part of regulators is more the ‘norm.’” B.C. should “take the same approach to permitting and monitoring exploration companies as Ontario.”

—President, junior mining company

*“In Montana—the Lynx cat which is listed as an endangered species—is **NOT** indigenous to Montana and is **NOT** endangered in its home—Canada... has caused our U.S. company major permitting problems because our area of interest—might be!—a habitat, although there is no proof of habitation.”*

—President, junior mining company

“USA [has] eco-terrorism-environmental strangulation policies.” The country needs a dose of “environmental realism based on good scientific/engineering policies.”

—Evaluations Manager, senior mining company

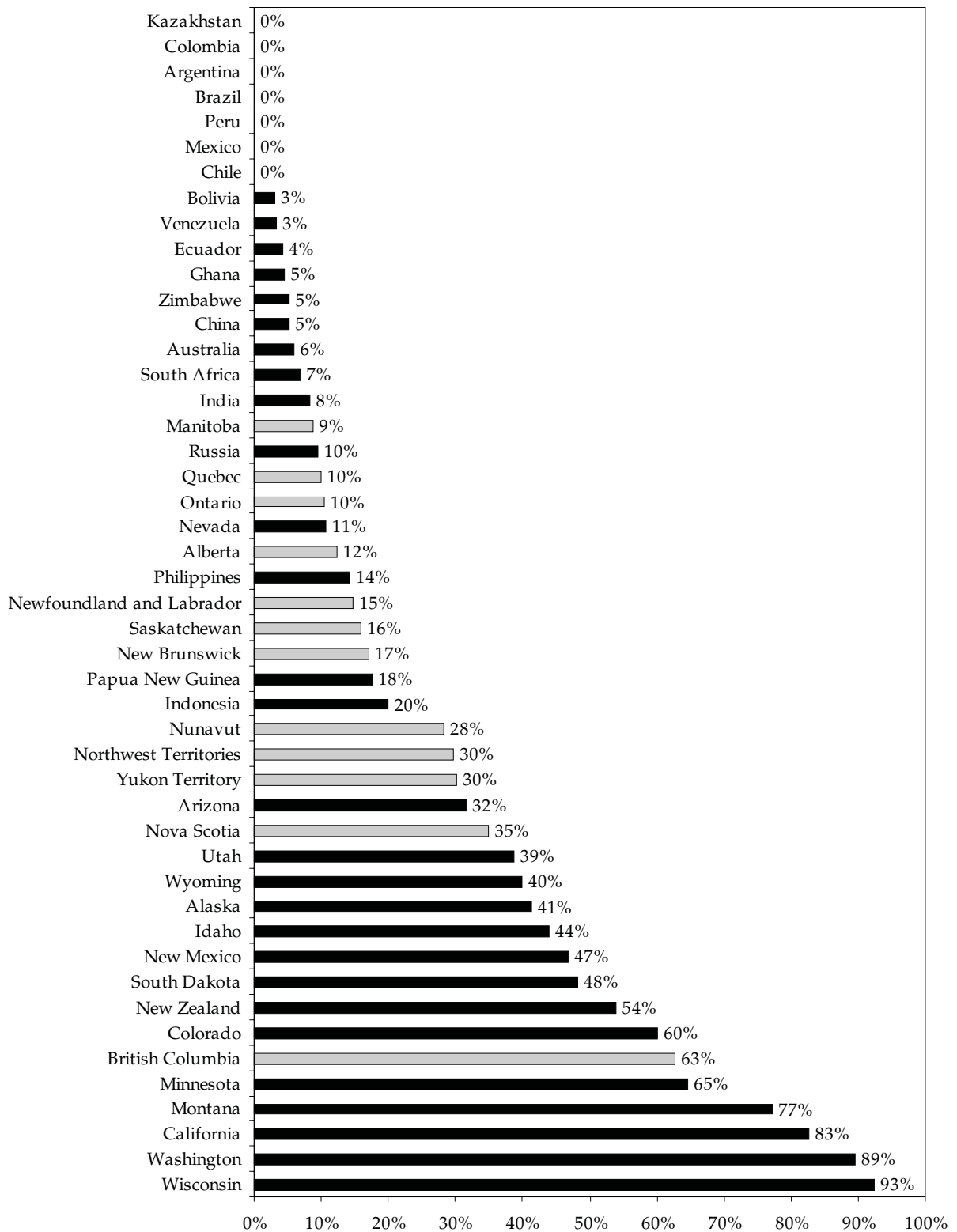
“California [has] too many and confusing environmental regulations” making the “Permitting process lengthy and costly.” It needs to “Shorten permitting process; make environmental groups financially accountable for unnecessary delays.”

—Mining and Exploration Manager, junior mining company

“United States [has a] general tendency to reject mining as an environmental problem.” There should be “Balance between mining and environment.”

—CEO, junior mining company

Figure 6: Environmental Regulations



Percent who consider environmental regulations a strong deterrent to exploration investment

Uncertainty Concerning what Areas will be Protected as Wilderness or Parks

“Newfoundland should let a discovery become a mine—foreign mining companies have told me they won’t invest in Canada because of Windy Craggy and Voisey Bay.”

—President, junior mining company

One unfavourable policy is the *“Forest Reserve issue in Ghana—exploration was banned in 1997 in Forest Reserves; that has now been allowed but mining is not yet permitted.”*

—COO, junior mining company

“In Canada, Nova Scotia [and] British Columbia [have problems with] land use issues! Land claims [are] unresolved! Wishy-washy politicians! A strong ‘green’ bias.” It has to *“resolve land use issues—especially Protected Areas.”*

—President, junior mining company

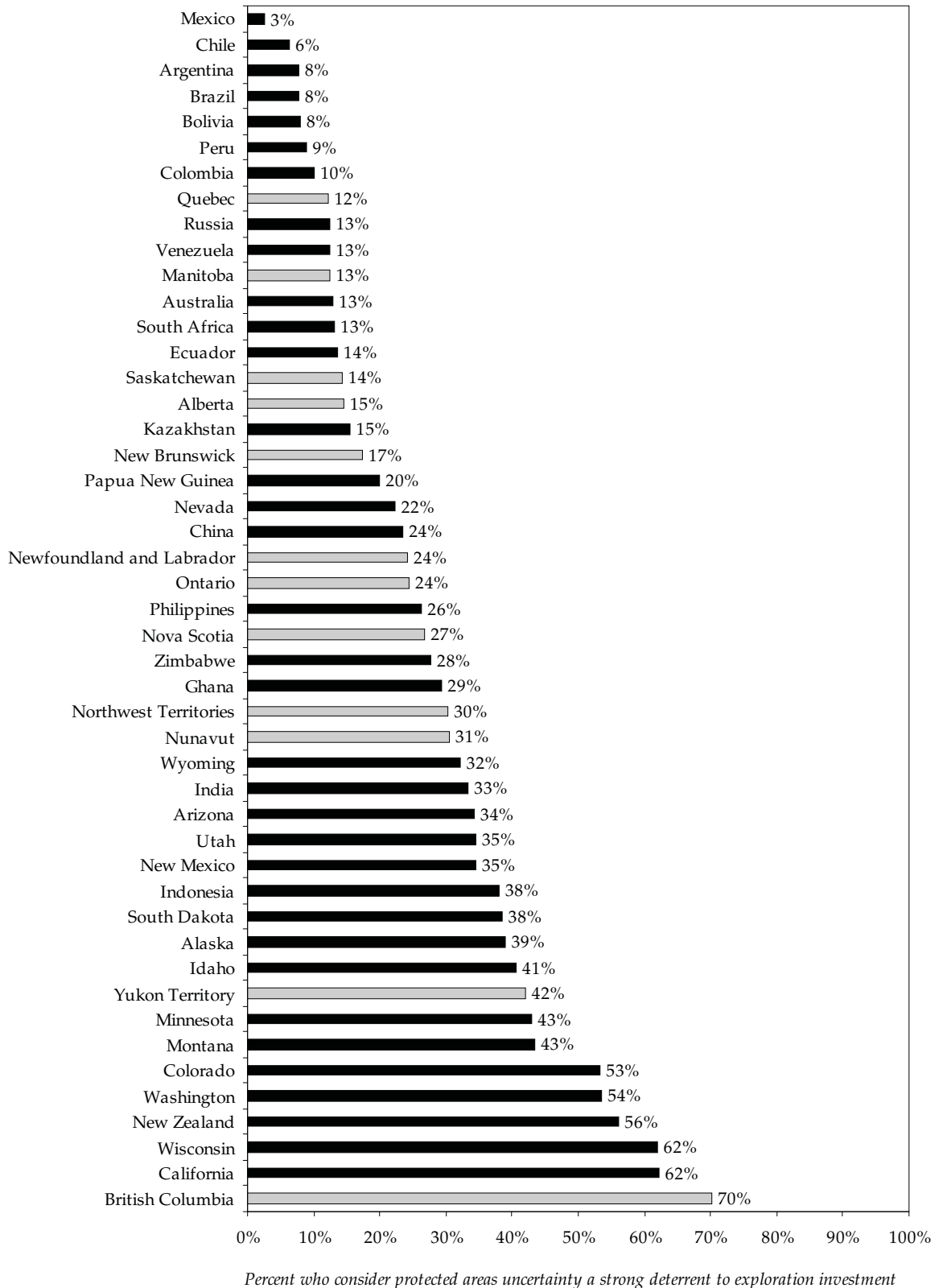
“Quebec [is] mining friendly with most land use issues resolved! Excellent mineral potential.”

—President, junior mining company

The worst jurisdiction is *“BC, [although it] may have changed somewhat recently. The NWT is a close second. Though much of the province is rural, policy is dictated mostly by people in Vancouver who do not understand the needs of rural areas and how responsible the mining industry has become.”*

—Vice President, Exploration, junior mining company

Figure 7: Uncertainty Concerning which Areas will be Protected as Wilderness or Parks



Uncertainty Concerning Native Land Claims

“British Columbia [has problems with] environmental extremism [and] First Nation land claims.” It should “relax [the] Environmental Review Process [and] abolish land claims.”

—Vice President Government Affairs, junior mining company

“Should not need native ‘approval’ to work in Northern Ontario. Current environment has two regulatory requirements: 1. mining act and 2. native malice unofficially recognized by government.”

—Vice President Exploration, junior mining company

“Australia, Chile, Canada, [and] Nevada” have favourable policy climates because of their “environmental regulation, taxation, aboriginal rights, [and] stable workable regulations.”

—Evaluations Manager, senior mining company

“Laws and regulation [are] not enforced and Indians have the final decision [in] B.C.” It would help to have the “Indians out of the picture so that company only answers to provincial government... The horror story applies to just about every province. After you acquire mining rights, Ministry in charge advises you to contact the local Indian community before proceeding with your exploration program. They have effective control.”

—President, junior mining company

“Quebec [has a] top geological database, exceptional potential and relatively unexplored, agreements with aboriginals.” It is a “pro-mining jurisdiction.”

—President, junior mining company

“Land claims and environmental concerns rule out spending money [in] B.C. and the USA.” These jurisdictions have to “settle land claims and demonstrate they aren’t going to cave in to environmentalists.”

—Director Mining, junior mining company

“United States [has the worst] environmental policies and public attitude towards mining. There is no hope. Our company had four native land claims in an area of no historical significance.”

—General Manager and COO, junior mining company

Figure 8: Native Land Claims Uncertainty



Taxation Regime

“Quebec [offers] cash incentives to explore—rebates, tax incentives.”

—Manager, Exploration—North America, senior mining company

The jurisdiction with the most favourable policies is *“Australia. Gold mining [is] tax free. Mining industry [is] highly supported by government at all levels.”*

—Exploration Manager, junior mining company

“Quebec [offers] security of title [and] investments; pro-mining in general; favorable incentives to invest at all government levels.”

—Vice President Exploration, junior mining company

We found *“Fast permitting, tax credits, [a] good apprenticeship program, support for infrastructure, liberal remittance regime [in] South Africa.”*

—President & CEO, junior mining company

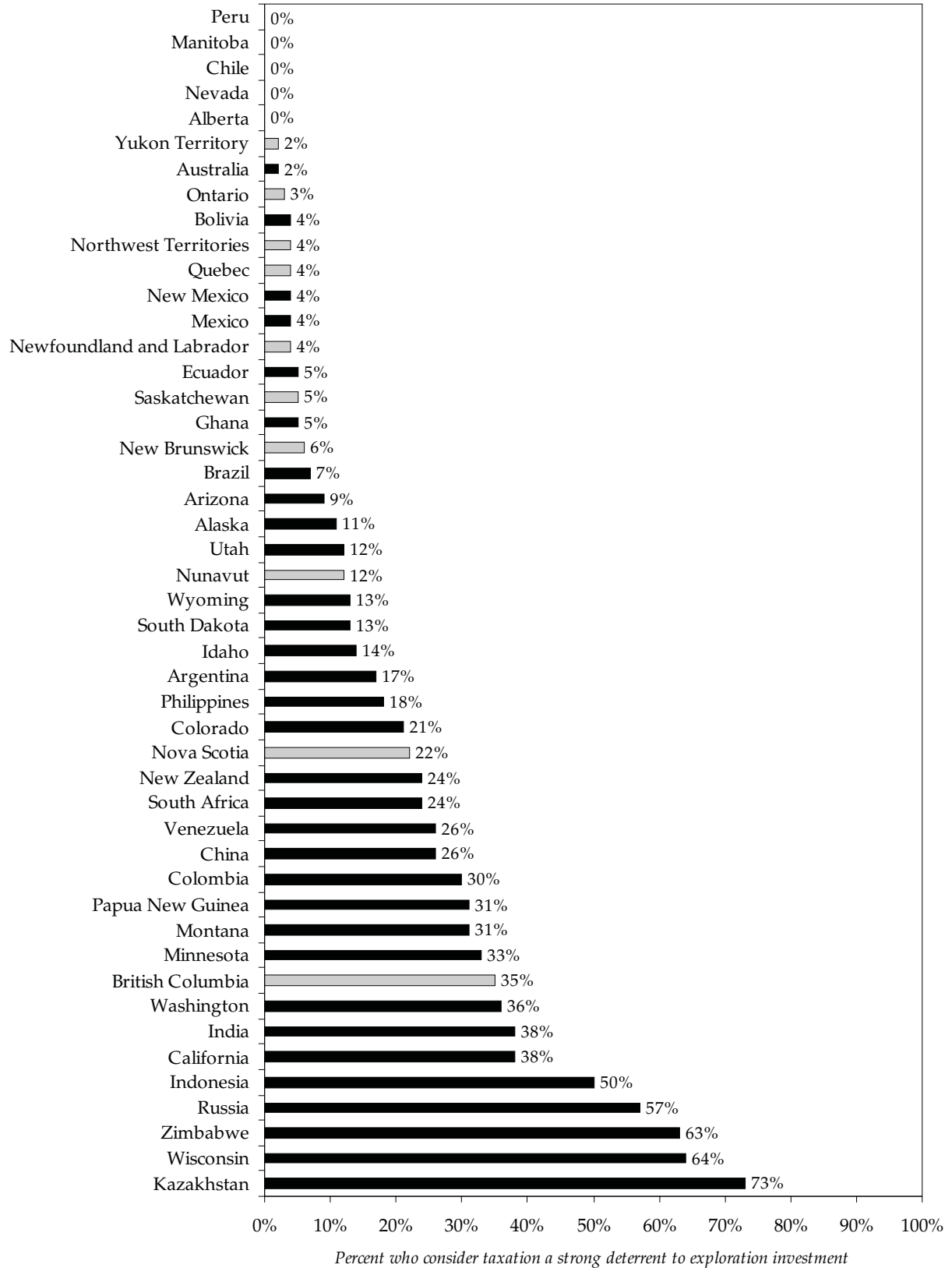
“Bolivia has revamped its mining code and tax structuring within the past 2 years to clarify a very unclear picture on mining regulation and taxation. The country also passed legislation liberating most capital goods from import duties and burdensome procedures. Regions (Patosi and Oruro) also have enacted sweeping tax relief for mining investment.”

—President, junior mining company

“Canada, especially Quebec, [has] generally well-defined, balanced policies. I find Quebec is mining-friendly with [an] encouraging tax regime.”

—Chief Geologist, junior mining company

Figure 9: Taxation Regime



Infrastructure

“Australia [has a] good infrastructure [and] mining investment climate.” It’s a “mining country, cheap, safe.”
—COO, junior mining company

“Quebec has an excellent mining infrastructure and active mining culture. The Quebec government understands mining, knows its value to the economy, and actively supports it.”
—Vice President, junior mining company

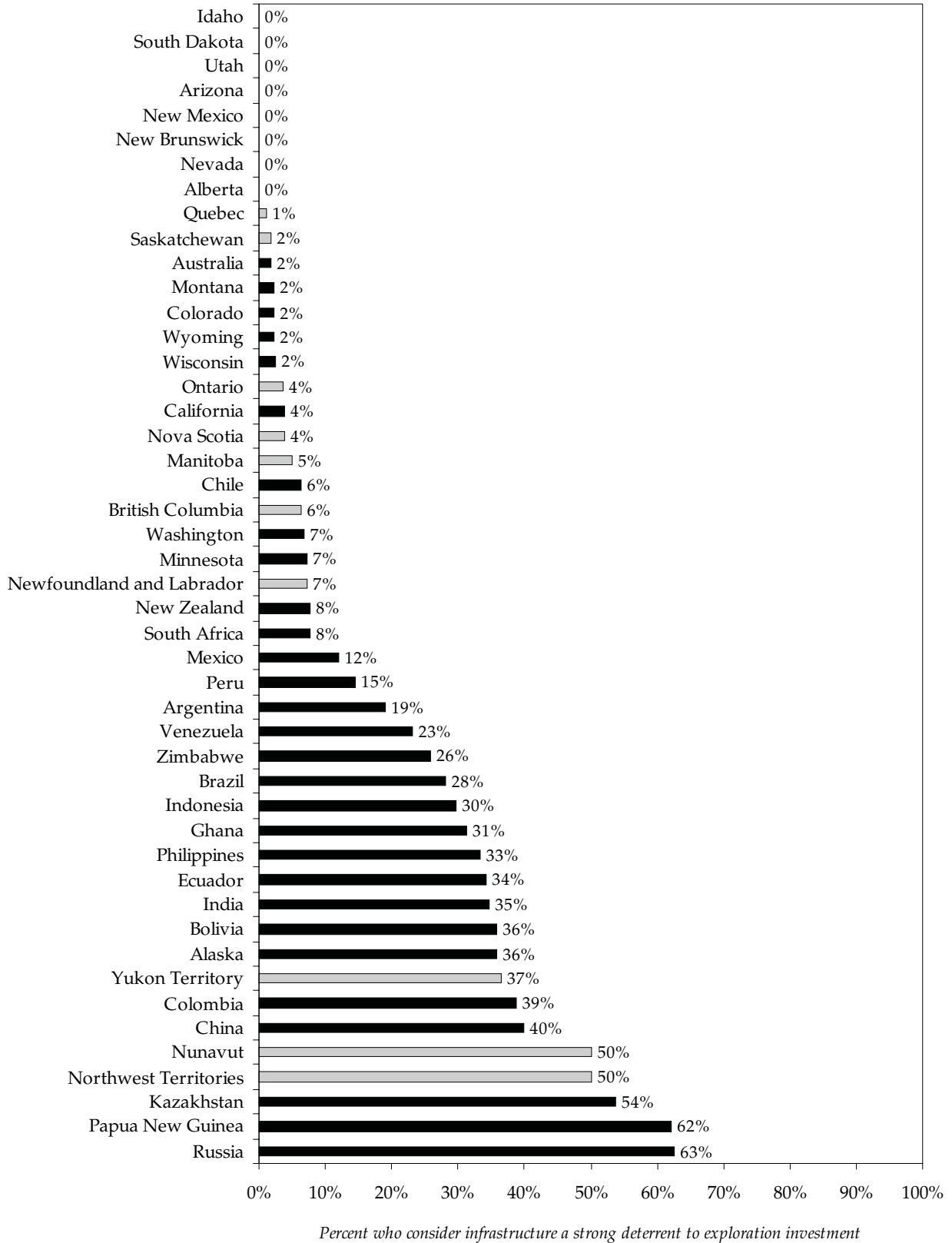
“The entire mineral industry in Indonesia for the last 4 years is a horror story. At the current rate extractive industry here will be dead in 5-8 years (exploration already is!)”
—Executive VP Exploration, senior mining company

“We have had a great deal of help and fairness working with the Utah Department of Oil, Gas and Mining on our projects.”
—Vice President, junior mining company

“Quebec [provides] excellent data available from government...” It has a “high quality government geological database and financial incentives.”
—President, junior mining company

In “Quebec [we are] welcome.” They have good “security of tenure [and] cost and availability of support and data.”
—President, junior mining company

Figure 10: Infrastructure



Labour Regulation/Employment Agreements

“South America [has a] relaxed regulatory climate [and] low labor costs.”

—Vice President Government Affairs, junior mining company

“Chile [offers] land title and permitting guarantees, [a] workable mining code, [and] pro mining legislation.”

—Vice President, junior mining company

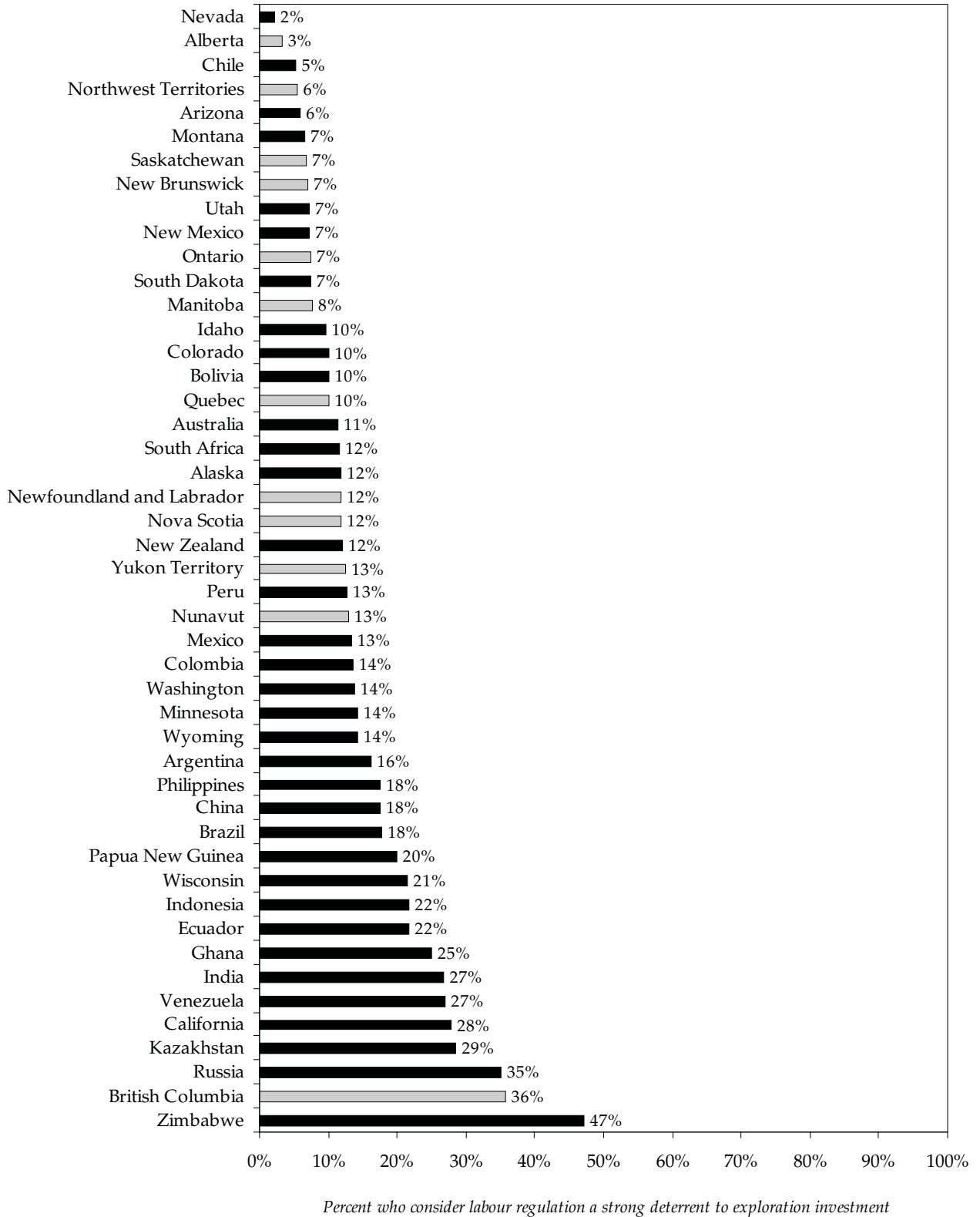
“In my opinion and not having worked extensively outside of Canada, I believe that Manitoba has the best policies towards mining. Manitoba has a clear legislative and regulatory pathway to mine and environmental permitting. Manitoba has set up a transparent Treaty Land Entitlement process to deal with aboriginal land claims. Manitoba supports an active and scientifically credible provincial geological survey. Manitoba politicians are readily available at mining meetings.”

—Vice President Exploration, junior mining company

“China, India, Indonesia, Philippines, Zimbabwe, [and] Congo” have the worst policies. “Their cultures either do not value mining highly or they favour locals versus foreigners.” Unfortunately, “corruption is not really subject to policy.”

—President, junior mining company

Figure 11: Labour Regulation



Political Stability

“Kazakhstan [has an] entirely corrupt political system.”

—Mining and Exploration Manager, junior mining company

Russia has unfavourable policies, including *“political, regulatory and legal harassment (freezing accounts) because of refusal to cooperate with continuing and increasing ‘payoffs.’”*

—Evaluations Manager, senior mining company

The jurisdictions with unfavourable policies include the *“Former Communist States: USSR, China. Bodies of ‘ownership’ laws have yet to evolve in these countries [They should start] allowing private (or ‘private’ corporate) ownership of resources.”*

—President, junior mining company

“At one time the government [of Brazil] froze the ability to remove revenues or dividend payments from the country due to currency problems which severely restricted the ability to conduct effective business.”

—Director, senior mining company

“Indonesia and Russia [are] corrupt [and take] too long for permitting. [We] never know if we own the mining titles.”

—President, junior mining company

“I have just the opposite story. [One mining company] was active in Indonesia, having obtained a number of different CoW’s [Contracts of Work] in 1996-97 for an exploration program. Each CoW required a “seriousness bond” that would be refundable if the contracted work program was completed. Despite the uproar that accompanied the end of the Suharto regime, the seriousness bonds were fully refunded by the Indonesia government.”

—Vice President Exploration, junior mining company

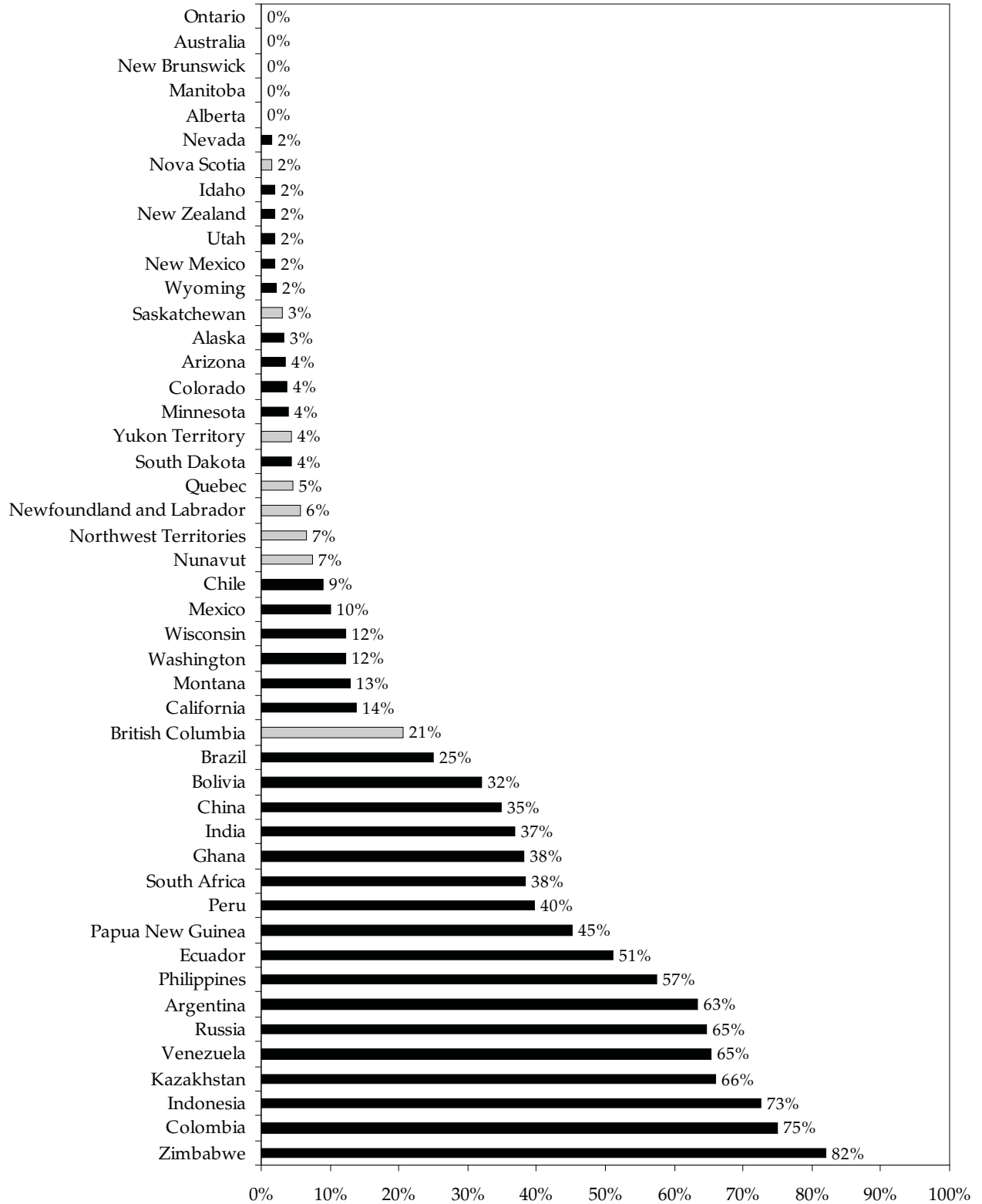
In *“Venezuela, land titles, regulations [are] non-existent!!! [They] make rules as they go along. [They should] make government institutions non-partisan, non-corrupt, and accountable.”*

—Vice President Exploration, junior mining company

“Philippines [has] too much graft and corruption!” The nation should develop an *“adherence to policy by government officials and strong deterrence towards graft and corruption.”*

—Director, junior mining company

Figure 12: Political Stability



Percent who consider political stability a strong deterrent to exploration investment

Socioeconomic Agreements

In “South Africa [the] leaking of a draft Mining Charter for the new Minerals and Petroleum Bill that hinted at compulsory majority ownership to empowerment companies of new mining projects had a significant effect on foreign investment and confidence.”

—Director, senior mining company

In “Quebec, the predominant approach by government authorities is to find solutions with the industry.”

—President and CEO, junior mining company

“Large portions of U.S. and Canada” are the worst places to try to mine because of the “stereotypical views of mining held by governments and the public which regard the industry as rapacious polluters.”

—President, junior mining company

In Voisey’s Bay, “political interference [and] poor policy destroyed value.”

—Director of Exploration, senior mining company

“They have a long history of mineral production [in Quebec] and recognize that mineral production can be very beneficial to remote areas and the province in general.”

—Vice President, Exploration, junior mining company

“An example of a good jurisdiction is NW Quebec where people are pro-mining, government is proactive with industry, and the best environmentally conscious developments are achieved with minimum delays.”

—Executive Vice President, intermediate mining company

Figure 13: Socioeconomic Agreements

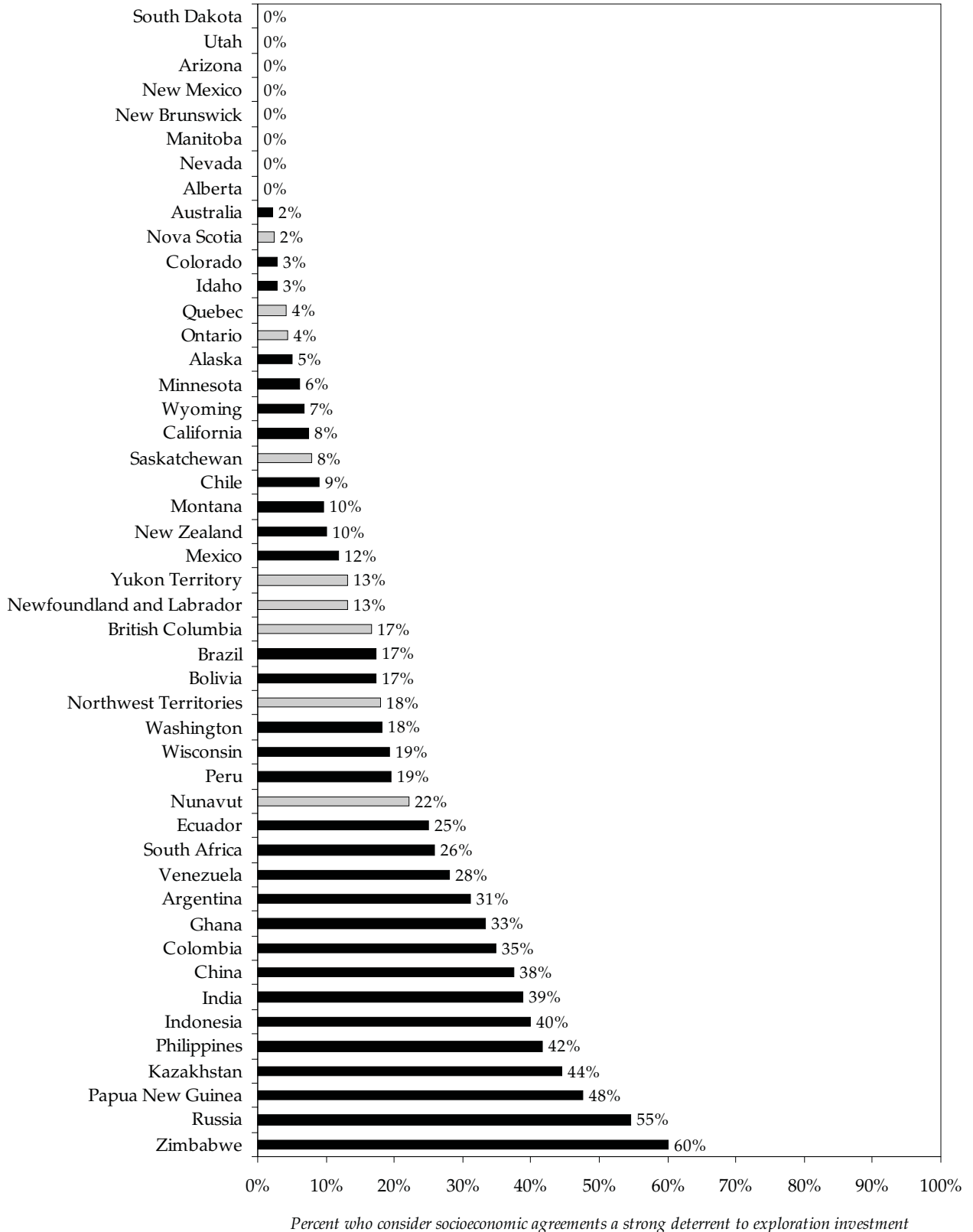
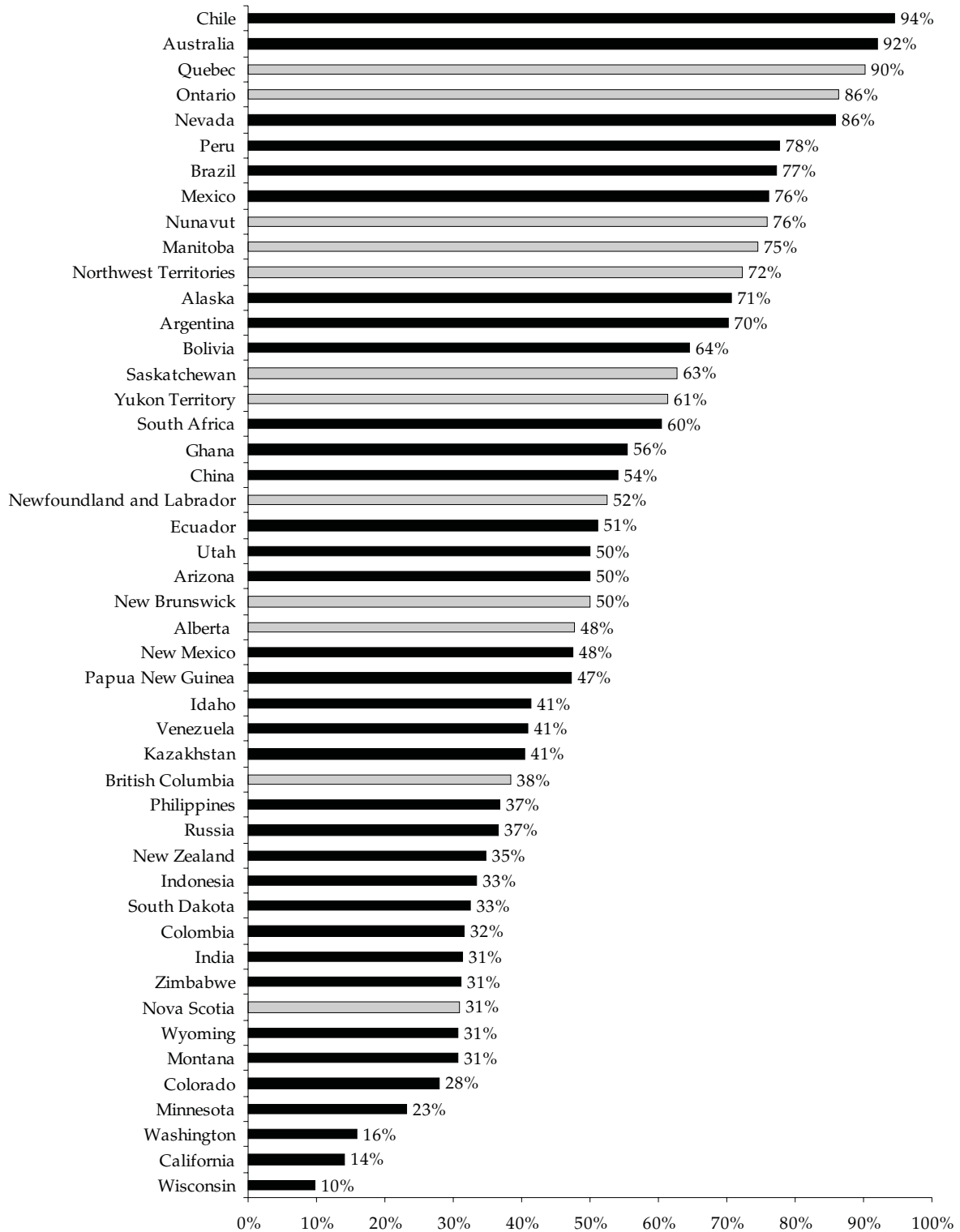


Figure 14: Mineral Potential Assuming Current Regulation/Land Use Policies



Percent who indicate that mineral potential assuming current land use policies encourages exploration

Figure 15: Mineral Potential Assuming NO Land Use Restrictions in Place, and Further Assuming Industry “Best Practice” Standards

