



LEADERSHIP. INNOVATION. RESILIENCE. 2015 ANNUAL REPORT



PROSPECTORS &
DEVELOPERS
ASSOCIATION
OF CANADA



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The Prospectors & Developers Association of Canada (PDAC) is a national association with an international reach that represents the mineral exploration and development industry. The PDAC has more than 8,000 individual and corporate members, and encourages leading practices in technical, environmental, safety and social performance in Canada and around the world.

Areas covered by the association's wide range of advocacy work include land access, Aboriginal affairs, access to capital, corporate social responsibility (CSR), finance and taxation, geosciences, human resources, education, business insurance, and securities regulations.

The Prospectors & Developers Association of Canada also hosts the mineral industry's largest annual convention in downtown Toronto. The PDAC 2015 Convention attracted more than 23,500 attendees, including 5,500 international delegates from 116 countries.

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MESSAGE FROM THE PRESIDENT



LOOKING AHEAD

Canada is recognized as the global leader when it comes to mineral exploration. In particular, being home to more publicly-listed exploration companies than any other jurisdiction and leading the world in mine equity financing.

Maintaining Canada's prominence in exploration is critical to sustaining the economic benefits generated by the industry, and the long-term health of the junior sector is essential to the mining industry as a whole. Juniors account for the majority of mineral discoveries and collectively use exploration dollars more effectively than senior mining companies. Without the pipeline of discoveries provided by the juniors, the future health of the mining industry would be in jeopardy.

The financing environment continued to deteriorate throughout 2015 in lockstep with across-the-board declining commodity prices. Raising capital for junior companies continues to be extremely difficult, although advanced and highly-promising projects are getting financed. Exploration expenditures were made, but very cautiously, and in most instances only when absolutely necessary. For most in the junior sector it is a matter of survival. We all know that this is a cyclical business and favourable circumstances will eventually prevail.

However, this downturn has its origins in the industry's response to unsustainable demand from China during much of the 2000s. The resultant overcapacity and the subsequent slowdown in China reduced demand for most commodities that may result in a downturn that lasts much of the current decade. That's the academic view—we all know that the industry has a habit of defying predictions.

The 2015 election brought a change of government. Many in the new government are familiar with the PDAC as we have worked hard over the years to reach out to all Members of Parliament through the PDAC Convention and during advocacy days on Parliament Hill. Nevertheless, it will mean strengthening existing relationships and building new ones with those unfamiliar with our industry.

With the majority of mining operations located in some of the most remote parts of the country, employment in mineral exploration and development is critical to northern economies as the industry is the largest private sector employer of Aboriginal Peoples. It is essential that as an industry we continue to build strong, mutually-respectful relationships with Aboriginal communities. They will be the key to maintaining and growing a robust domestic mineral industry that employs more than 380,000 workers and contributes approximately \$54 billion annually to Canada's gross domestic product.

The PDAC staff and volunteers will continue to advocate on your behalf to maintain a supportive fiscal policy and regulatory environment for the Canadian mineral industry during these challenging times. We have history on our side and are confident that industry conditions will eventually improve in response to declining reserves and higher commodity prices.

A handwritten signature in black ink, appearing to read "Rodney Thomas", with a horizontal line underneath.

Rodney N. Thomas, P.Geo.
President
Prospectors & Developers Association of
Canada (PDAC)

MESSAGE FROM THE EXECUTIVE DIRECTOR



STRENGTH IN NUMBERS

The PDAC has long been recognized as the leading voice of Canada's minerals sector and a leader in promoting a responsible, sustainable exploration and development community in Canada and around the world. We are also, of course, renowned for our annual convention in Toronto, which I'm pleased to say attracted 23,578 attendees from 116 countries in 2015.

At our core, we represent the more than 7,000 individual and nearly 1,000 corporate members who join our association for various personal and professional reasons. This strong, dedicated and vibrant membership base gives us strength in numbers, which enables us to have a voice and create positive change for the industry by educating and working closely with government and not-for-profit organizations.

Over the past year, through the efforts of the PDAC's dedicated staff, Board of Directors and numerous volunteers, the PDAC's work has covered a wide range of areas that impact our members' ability to succeed:

- Successfully lobbied for the renewal of the Mineral Exploration Tax Credit (METC), which was announced at the PDAC 2015 Convention. PDAC will continue lobbying for its permanent introduction and for it to be increased from 15% to 30% to encourage greater exploration spending.
- Supported the implementation of the *Extractive Sector Transparency Measures Act* that came into effect on June 1. PDAC was a founding member of the Extractive Resource Revenue Transparency Working Group in 2012 that developed recommendations incorporated in the Act.

- Advocated for security regulators across Canada to adopt a range of new exempt market rules that will enable companies to access a broader range of investors and reduce the costs of raising capital.
- Advocated on behalf of members for the renewal of the Targeted Geosciences Initiative (TGI) for better access to land, greater geoscience investments, and reporting on the high cost of remote exploration and mining activities in Canada.
- Continued work on improving relationships between companies and Aboriginal communities through analysis of the different approaches being used by exploration associations in each province and territory to fulfill the Crown's Duty to Consult and accommodate Aboriginal Peoples.
- Participated in the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development, the only global intergovernmental policy forum for our sector.

Yet despite our many successes, the industry continues to be tested as a result of a prolonged economic downturn. On behalf of our members, PDAC is committed to overcoming the obstacles created as a result of this, and finding ways to turn challenges into opportunities.

PDAC will continue to provide members with the guidance, advice and support necessary to succeed. I am excited for the future and look forward to working alongside the dedicated and hard-working PDAC employees, the Board of Directors and 16 committees to ensure our association remains the leading influencer and advocator of a successful Canadian mineral exploration and development sector.

A handwritten signature in black ink, appearing to read 'A.M.' with a stylized flourish.

Andrew Cheatle
Executive Director
Prospectors & Developers Association of
Canada (PDAC)

PDAC HIGHLIGHTS 2015

PDAC is proud to represent the work and aspirations of our more than 8,000 members that operate in Canada and around the world. Here are some of the association's major accomplishments, priorities and activities from the past year.



ACCESS TO CAPITAL

Finance and Taxation

- **PDAC successfully advocated for the renewal of the federal Mineral Exploration Tax Credit (METC)**, which was extended to March 31, 2016. For Budget 2016, the PDAC is calling for an increase to the tax credit from 15% to 30% for three years to improve Canada's competitiveness in attracting exploration spending.
- In response to PDAC advocacy, Finance Canada tabled legislation proposing changes to the tax treatment of certain expenses related to Aboriginal consultation and environmental studies. PDAC hopes the new Liberal government will adopt this legislation to allow companies exploring in Canada to use flow-through share financing to cover the costs of these important social and environmental activities.
- At the PDAC 2015 Convention, PDAC launched the inaugural **State of Mineral Financing** report, which monitors the flow of capital into the exploration industry. The data in this report has been cited in numerous industry and media publications, and has formed the basis for PDAC presentations at industry events around the world.
- **PDAC partnered with the Funding Portal** in the summer to improve access to Canada's multi-billion dollar incentives market. The new service, available via the PDAC website, allows users to instantly search through more than 7,000 business support programs in both Canada and the United States.

Securities

- Throughout 2015, PDAC continued to advocate for reforms to the laws and regulations governing capital raising in Canada in order to achieve the three priority goals of its members:
 - > Expand access to a broader base of investors.
 - > Reduce the costs of raising capital.
 - > Support more effective enforcement.
- Partly in response to PDAC submissions, securities regulators around Canada adopted (or will soon be adopting) a range of new **exempt market rules** that reflect these three priorities, such as the new existing shareholder exemption, an offering memorandum exemption and an equity crowd-funding exemption, as well as a streamlined rights offering.
- PDAC also continued to advocate in support of the emergent **Capital Markets Regulator Authority**, which will reduce the number of regulators in Canada.
- PDAC organized its third **Capital Markets Program at the PDAC 2015 Convention** to create a venue for discussions on how to ensure Canada remains the top jurisdiction in the world for mining equity financing.

The PDAC Aboriginal Affairs Program supports the development of positive relationships between Aboriginal communities and mineral exploration and mining companies, as well as increased participation by Aboriginal people in the mineral industry.

www.pdac.ca/aboriginalaff



- The PDAC developed a research report, **Government Resource Revenue Sharing with Aboriginal Communities in Canada: A Jurisdictional Review**, that provides a jurisdictional scan of the various provincial and territorial approaches to government resource revenue sharing (GRRS) between the Crown and Aboriginal communities. GRRS presents the opportunity to enhance participation by, and economic opportunities for, Aboriginal people in the mineral sector, as well as contribute to project support and certainty.
- The PDAC continues to undertake advocacy work in the form of submissions to government, meetings, presentations and research on issues impacting the mineral industry and Aboriginal affairs. This includes research and advocacy related to: resolution of land claims across Canada, provincial consultation policies/guidelines, revenue transparency and payments to Aboriginal groups, and evolving Aboriginal rights jurisprudence.
- The PDAC maintained a presence at national and regional conferences, including the annual conference of the Canadian Aboriginal Minerals Association and the Canadian Minerals Association Conference, as well as industry events and meetings across Canada.



ABORIGINAL AFFAIRS

- The **Aboriginal Program at the PDAC 2015 Convention** featured two full days of programming and hosted more than 500 self-identified Aboriginal attendees. It included presentations on company-community relationship-building and partnerships, the evolving landscape in Aboriginal jurisprudence, Aboriginal business development, and exploration agreements. A highlight of the PDAC Convention, the Aboriginal Program provides an opportunity for the mineral industry and Aboriginal communities and companies to share knowledge, develop a shared understanding, and foster relationships.
- To help support the improvement of relationships between mineral companies and Aboriginal communities, the PDAC continues to examine the **Crown's Duty to Consult** and analyze the different provincial and territorial consultation policies and guidelines to identify and compare unique challenges of each consultation regime.

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ACCESS TO LAND

Geoscience & Innovation

- PDAC advocacy helped secure the renewal of the **Targeted Geosciences Initiative (TGI)**, an innovative federal geoscience program that will help to improve discovery rates with respect to deep deposits in established mining camps.
- Innovation has become increasingly important to mineral exploration success and mining productivity. The PDAC partnered with **Deloitte Monitor** to conduct a survey of junior and senior mining companies, as well as service and supply companies, to better understand the state of play in mining innovation. A report summarizing the findings from these interviews was released at the PDAC 2015 Convention.
- PDAC continued work on creation of a best practice document on exploration data reporting standards to help reduce the costs incurred by companies as they develop their exploration strategies.

Lands & Regulations

- To increase the probability of making a discovery, the exploration industry needs access to as wide a land base as possible. Across Canada, however, there is growing pressure to withdraw large tracts of land from staking. While PDAC supports efforts to address the values of diverse land-users, some land withdrawal decisions are being made without adequate consideration of the mineral potential in these areas, and the impact of land withdrawals on the ability of remote and Aboriginal communities to improve their incomes and quality of life. PDAC is monitoring these issues and working with regional associations to **ensure land withdrawals are done responsibly** and based on the best scientific evidence available.
- As near-surface discoveries become rarer in southern Canada, companies are venturing into increasingly remote parts of Canada in search of significant discoveries. In 2015, PDAC launched a report, **Levelling the Playing Field**, in partnership with four other industry associations, highlighting the cost premium associated with exploring and mining in remote parts of Canada. The report gained significant media and government attention, including a call from the Prime Minister's Office.

AUDIT

- The Audit committee reviewed and approved the quarterly unaudited financial statements for issuance to the Board of Directors.
- The committee reviewed and recommended to the Board of Directors that they approve the annual audited financial statements and the auditor's report thereon for issuance to the PDAC membership.
- In addition, they reviewed and approved the calculation of the internally restricted net asset reserves, as well as the auditor's audit plan and fees for the fiscal year-end financial statements, and provided guidance to management with respect to financial issues as needed.



Almost 800 representatives of industry, government, academia and civil society attended the CSR Event Series at the PDAC 2015 Convention.

SUSTAINABLE DEVELOPMENT

Corporate Social Responsibility/Health & Safety

- The PDAC's Corporate Social Responsibility and Health & Safety programs continue to support responsible exploration by providing industry leaders with tools and resources, strengthening the business case for responsible exploration, and advocating for improvements to the governance of natural resources.
- *Supporting industry leadership:*
 - > During its consultations in 2013 and 2014, stakeholders and members told the PDAC that their number one priority was developing healthy relationships between companies and communities. In response, the **PDAC launched a new e3 Plus chapter** in 2015 on community engagement, produced in partnership with world renowned expert Luc Zandvliet.
 - > Almost 800 representatives of industry, government, academia and civil society attended the **CSR Event Series at the PDAC 2015 Convention**. Sessions covered a variety of topics related to responsible exploration and mining.
 - > The Health & Safety short course offered at PDAC 2015 was once again one of the highest-rated courses.
 - > PDAC and AME-BC co-produced the 10th annual **Canadian Mineral Exploration Health & Safety Report**, based on data submitted by exploration companies that conducted work in Canada in 2014. The survey tracks health and safety trends nationwide to promote awareness and encourage companies to institute accident prevention measures.
- *Strengthening the business case:*
 - > In partnership with students from Ryerson University, PDAC undertook the first phase of a research project examining the sustainability due diligence undertaken by producing companies when looking at acquisitions or joint ventures related to junior exploration companies. The information from this project will be used to develop disclosure guidance for juniors interested in optimizing the attractiveness of their properties.



- *Improving natural resource governance:*
 - > Continuing its leadership role on the issue of revenue transparency, PDAC supported the participation of two member companies on a working group established by Natural Resources Canada to produce information resources to help companies comply with the **Extractive Sector Transparency Measures Act**. The guidance was released for public consultation in September 2015.
 - > PDAC continued to support the work of Canada's non-judicial dispute settlement systems, the OECD National Contact Point team, and the Office of the CSR Counsellor for the Extractive Sector.
 - > The **new CSR Counselor, Jeffrey Davidson, was announced at the PDAC 2015 Convention**. PDAC organized a focus group for Mr. Davidson to learn more about the unique challenges faced by exploration companies operating outside of Canada.

HUMAN RESOURCE DEVELOPMENT

- The **9th annual Student-Industry Mineral Exploration Workshop (S-IMEW)** held in Sudbury, Ontario was another success thanks to the continued support from over 70 volunteers and the many companies that were excited to engage with geoscience students from across Canada. Field trips to world-class deposits in Sudbury and Rouyn-Noranda, and an underground mine tour near Val d'Or, were led by top academics and industry professionals. For the first time, a full day in the two-week itinerary was dedicated to diamond exploration and evaluation of diamond deposits, and students had the opportunity to handle rough diamonds and kimberlite core samples.
- The **PDAC 2015 Convention attracted over 1,200 students** who participated in the Student Program. For the first time, the Student Program featured a presentation by sisters Ruth and Jessica Bjorkman about prospecting. The PDAC-SEG Canada Minerals Colloquium featured over 90 posters on economic geology from students across Canada. CIM-Toronto Branch volunteers led guided tours of the Trade Show and Investors Exchange for over 120 students during the show, and over 900 students and industry gathered at the Student-Industry Networking Luncheon to catch up with colleagues and make new contacts in a relaxed setting.
- The Human Resource Development program continues to financially support students' academic pursuits in the area of mineral exploration and the geosciences through the renewal of bursary agreements with various colleges and universities across the country. The program provided **financial support to 65 students** participating in Canadian and international geoscience field trips with their schools, as well as assistance to over 200 students to attend the annual PDAC Convention. PDAC is expanding its reach to university students through the S-IMEW alumni network. In 2015, alumni hosted presentations to their faculty and classmates about their experiences at S-IMEW to promote the program and encourage students to apply.



CONVENTION

- The **PDAC 2015 Convention welcomed over 23,500 attendees** and hosted 1,032 organizations exhibiting in 1,400 booths, which included the expanded exhibit area in the North Building of the Metro Toronto Convention Centre (MTCC). More exhibit space means more exhibits, more learning and more networking. The four-day annual PDAC Convention remains the largest mineral exploration and mining convention and trade show in the world, and the premier event for learning about the latest investment, technology and networking opportunities shaping the exploration and development sector.
- International presence at the PDAC Convention continues to grow. In 2015, 25% of all attendees were international attendees representing 116 countries outside Canada, including USA, Australia, Peru, England, Mexico, Chile, China, Argentina, Brazil, South Africa, and Germany.
- Educational opportunities are always a top priority at the convention. In 2015, PDAC offered **19 Technical Sessions** and **11 workshops**, and welcomed **492 knowledgeable and engaging speakers**, as well as **120 mining company presentations**.


INTERNATIONAL AFFAIRS

- The PDAC International Affairs program seeks to promote international attendance at the PDAC Convention, increase international membership of the PDAC and track international issues that may be affecting the competitiveness of the Canadian industry.
- In pursuit of these goals, the PDAC participated in several key international conferences over the course of 2015 (e.g. CESCO, China Mining, Fennoscandian Exploration and Mining).
- PDAC also participated in two bi-annual member meetings organized by the **International Council on Mining & Metals (ICMM)**, providing updates on PDAC program activities.
- To facilitate greater collaboration and cooperation between industry associations, PDAC organized the third annual meeting of the International Associations Forum at the PDAC 2015 Convention.

ICMM
International Council
on Mining & Metals

MEMBERSHIP ENGAGEMENT & OUTREACH

- The PDAC continues to carry out its advocacy efforts with the support of a strong membership. With more than **7,000 Individual and 950 Corporate members**, the PDAC was able to successfully represent members' concerns with governments at federal, provincial and territorial levels.
- The Life Member Luncheon continues to be a must-attend event for mineral industry pioneers during the PDAC Convention. On March 3, PDAC First Vice-President Bob Schafer addressed 130 guests at the Royal York Hotel and thanked them for their unwavering support and loyalty to the association. PDAC Past President Ed Thompson paid a special tribute to PDAC life members Catherine Rose and Harold Rudd who celebrated their 99th and 100th birthdays respectively.
- The Membership Committee developed a **framework to enhance the PDAC's membership program** and priorities to facilitate member engagement, recruitment and retention. This strategy includes: membership outreach events and a new and revitalized membership campaign. As a result of these efforts, PDAC recruited several new individual and corporate members.
- The PDAC led an outreach initiative across the country, in collaboration with other industry associations, to help support the PDAC's objective of increasing membership engagement and enhancing partnerships with other regional organizations. **Membership and industry networking events** were held in Halifax, St. John's and Saskatoon. The events were well attended and members had the opportunity to meet with PDAC President Rodney Thomas and Executive Director Andrew Cheatle, along with other industry professionals, to discuss the various challenges and opportunities facing the mineral exploration industry.



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PUBLIC AFFAIRS & COMMUNICATIONS

- PDAC's government relations activities continue to position the association as a leading voice in Ottawa able to drive positive change for our members. The association hosted more than **30 federal parliamentarians at PDAC 2015**, including Canada's Minister of Finance and the Leader of the Official Opposition. PDAC was also pleased to host mining ministers and premiers from almost half of Canada's provinces and territories. This show of interest and support demonstrates PDAC's relevance with government decision-makers and the importance of Canada's mineral exploration and development sector.
- The **PDAC executed strategies to engage political leaders**, senior government officials from Canada and abroad, and industry through a series of stakeholder engagement events, including the PDAC's annual reception in Ottawa where the Minister of Natural Resources delivered remarks, and the **PDAC Media Reception at PDAC 2015** where Canada's federal Minister of Finance and Parliamentary Secretary to the Minister of Natural Resources made important announcements.
- PDAC continues to provide members, the industry and the general public with high-calibre communication products, including video, print and digital publications. The **association's**

award-nominated magazine

Core is the industry's premier publication that showcases the major developments, technologies and personalities shaping the minerals and mining industry. The PDAC's monthly eNews, revamped in 2014 to enhance the effectiveness of digital communications, currently serves as the association's most frequently distributed source of up-to-date news.

- PDAC has **grown its social media extensively** in the past year by developing targeted content for Twitter, Facebook and LinkedIn to reach a wider audience and to showcase the importance of the industry to Canadians. Currently, the PDAC has a consistent following of 3,000+ people on LinkedIn, 2,800+ "likes" on Facebook and 9,800 followers on Twitter.
- The association continues its impressive growth and leadership in media relations by hosting nearly **250 international and domestic journalists at PDAC 2015**. This effort gained coverage in 25 countries, as well as Canadian publications and broadcast outlets across the country. Throughout the year, the PDAC is approached regularly for comment and in the past year was featured in such publications as *The Globe and Mail*, *National Post*, *CBC*, *BNN*, *SNL Financial*, *iPolitics*, *Bloomberg*, *Reuters* and *The Toronto Star*.

GOVERNANCE

- The Board of Directors remains committed to effective governance of the association to ensure PDAC maintains its leadership role on behalf of the mineral exploration industry.
- At the March 2015 Annual General Meeting, the membership **approved a number of bylaw amendments to modernize and improve the association's governance practices**.
- After an intensive review of industry and not-for-profit best practices and current organizational requirements, it was determined that the 48 member Board of Directors is no longer optimal for effective governance of the association. Subsequently the Board approved a recommendation from the Governance and Nominating committee to **reduce the size of the Board to 24** over the next three years.
- The nominating procedure for directors was amended to require a nominee to have been a member in good standing for minimum of five consecutive years or served for a minimum of three consecutive years on a PDAC committee, as well as an increase from five to ten nominator signatures.
- The Governance committee is actively working towards continuous improvement of PDAC's governance practices, including a review of the Strategic and Standing committees to ensure they reflect the PDAC strategic priorities as approved in the five-year strategic plan.



MINING MATTERS

In 2015, 29 Mining Rocks Earth Science Programs were delivered to more than 3,600 Aboriginal youth and community members representing 53 different First Nation, Inuit, Métis and non-Aboriginal communities across Canada.

- Aboriginal Education and Outreach Programs continue to engage with community, corporate and government partners to customize Earth science programming for Aboriginal and non-Aboriginal children, youth and adults, delivering summer camps, school programs and community events that educate participants and create interest in careers in the minerals resource sector. Programs were delivered in both official languages and used the aid of a translator for First Peoples on occasion. In 2015, **29 Mining Rocks Earth Science Programs were delivered to more than 3,600 Aboriginal youth** and community members representing 53 different First Nation, Inuit, Métis and non-Aboriginal communities across Canada.
- Teacher Training and School Programs remain focused on working with teachers and students at all levels promoting the importance of rocks, minerals, metals, mining and Canada's geology. Teacher Resource Kits give teachers the tools to deliver an effective Earth science curriculum. The kits include lesson plans, activities and up to 70 rock and mineral samples. **More than 630 educators across Canada participated in Mining Matters Teacher Training Workshops** and received resources, enabling them to deliver Earth science programming in their classrooms with confidence.
- Two new educational resources were developed: *Mining Matters Activity Book* for ages 9 to 13, designed to encourage exploration of the world of rocks, minerals, metals, mining and careers in the minerals industry; and *Fossils of Ontario Guide*, developed in collaboration with the Ontario Ministry of Northern Development and Mines, designed to generate curiosity about the land beneath our feet.
- During the PDAC 2015 Convention, teachers and students, ages 10 to 17, attended Mining Matters "Use What You Learn" educational program and experienced hands-on, minds-on activities and learned about the richness, resources, culture and diversity of Canada's lands and the fascinating optical properties of Earth materials.
- An estimated **15,000 students, educators and members of the public enjoyed Earth science outreach activities** at schools, camps, conventions, conferences and public events across Canada, igniting interest about the wonders of Canadian geology and mineral resource endowment. ▶

PDAC 2015 CONVENTION





THE 83RD EDITION OF THE PDAC INTERNATIONAL CONVENTION, Trade Show & Investors Exchange once again brought together the world's mineral exploration and mining community to discuss the latest trends, technologies and challenges shaping the sector.

Over 23,500 investors, analysts, mining executives, geologists, prospectors and government officials from 116 countries attended the four-day convention in downtown Toronto, including 1,280 students, 240 accredited media, 30 federal Members of Parliament, as well as eight Cabinet Ministers, and six provincial and territorial Ministers.

"It was another successful year at the PDAC. Despite the short- to medium-term challenges that confront our industry, the mood at PDAC 2015 was very optimistic for the future of our business," says PDAC President Rod Thomas. "The PDAC Convention is designed to help the sector find the creative answers it needs to meet the challenges it faces. This year the convention offered a number of sessions examining how to leverage current funds and look for new possible options, including alternative financing. The convention itself remains the industry's premier meeting place for deals and options on properties to germinate or take place."

PDAC 2015 started with a flurry of announcements in support of Canada's mineral exploration and mining industry, including the appointment of Jeffrey Davidson as Canada's Corporate Social Responsibility (CSR) Counsellor for the extractive sector, and the announcement of a joint study of an all-weather transportation corridor in the Ring of Fire region by the federal government and the Ontario government.

In addition, for the first time in the history of the PDAC Convention, a sitting Federal Finance Minister attended. The Honourable Joe Oliver, Federal Minister of Finance, announced the Government of Canada's proposal to renew the 15 per cent Mineral Exploration Tax Credit (METC) for one year during his speech at the Media Reception.

"The provincial and federal governments in Canada are important partners in creating conditions that allow the mineral industry to flourish nationally



and internationally,” says PDAC Executive Director Andrew Cheatle. “Over the years the PDAC Convention has grown beyond a traditional trade show and investors exchange to include conversations around industry and community best practices. As the show grows it continues to expand, offering a range of public policy discussions and attracting stakeholders and government officials from municipal to international levels. We’re proud to facilitate the dialogue between industry, communities and policy leaders. Looking forward, we expect this dialogue to deepen and stronger tripartite relationships and understanding to develop.”

Since its inception in 1932 the PDAC Convention has grown steadily year over year, and this past year was no exception as the convention was expanded into the North Building of the Metro Toronto Convention Centre (MTCC) to host additional exhibit space, as well as the Core Shack. A crowd favourite, the Core Shack showcased the latest discoveries from around the world, including Finland, Mongolia, Panama, Mexico, Peru, Colombia, Canada and the United States of America.

PDAC 2015 featured 19 Technical Sessions covering a range of topics, from the Copperbelt in Central Africa to operating and investing in Latin America to Canada’s diamond industry. The program also featured a keynote session on the role of retail investors in the junior mining sector.

“The convention is designed to help the sector find the creative answers it needs to meet the challenges it faces,” adds Thomas. “Programming reflects economic and industry trends, and aims to provide networking and educational opportunities to encourage a healthy mineral exploration industry.”

The Corporate Social Responsibility (CSR) Event Series returned to the PDAC Convention for its sixth year. The series invites industry, government and civil society to participate in dialogue and peer-learning sessions on issues related to responsible exploration and mining. The PDAC 2015 series included a session organized by the World Gold Council and Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development called The Socio-Economic Contribution of



Responsible Gold Mining. The session examined key findings of the World Gold Council’s 2nd annual *Responsible Gold Mining Value Distribution Report* and the contribution that responsible gold mining can make to social and economic development.

This year’s Aboriginal Program drew over 700 attendees, including over 500 self-identified Aboriginal participants. One of the highlights was the Reaching Agreement, Maximizing Benefits session that examined key issues in company engagement and Aboriginal participation. The session, chaired by PDAC’s Aboriginal Committee Chair Michael Fox, featured a panel discussion on the unique nature of exploration agreements, a presentation by the Working Group on Natural Resources Development, as well as a presentation on the subject of consent that was followed by a panel of community leaders who spoke about their perspectives on consent in relation to mineral development projects.

“Programs like the CSR Event Series and the Aboriginal Program offer industry, organizations, communities and governments from all levels the chance to participate in open dialogue on best practices and unique challenges facing communities and regions across Canada,” says Andrew Cheatle. “We’re proud of our programming and the conversations we’ve facilitated over the years that have helped improve relationships between our industry, the communities where we work and the government.” ◀



PDAC 2015 CONVENTION STATISTICS

GENERAL INFORMATION

Total number of convention attendees

23,578

Percentage of international attendees **25%**
Outside Canada the largest number of attendees came from the **United States, Australia, Peru, England, Mexico, Chile, China, Argentina, Brazil, South Africa** and **Germany**

Number of countries represented **116**

Number of student attendees **1,280**

Number of self-identified Aboriginal attendees **More than 500**

Number of accredited media **240**

Number of sponsors **46**

Total number of visits to mobile website

34,654

TRADE SHOW & TRADE SHOW NORTH

Total number of booths

841

Total number of exhibiting organizations **507**

Number of governments exhibiting **66**

INVESTORS EXCHANGE

Total number of booths **512**

Total number of exhibiting organizations **480**

Total number of Prospectors Tent booths **13**

CORE SHACK

Total number of exhibiting companies **50**

PRESENTATIONS & WORKSHOPS

Total number of Technical Sessions **19**

Total number of Short Courses/
Workshops **11**

Total number of Presentation Rooms &
Reception Rooms **29**

Total number of Corporate Presentation
Forum for Investors presentations **120**

Total number of speakers

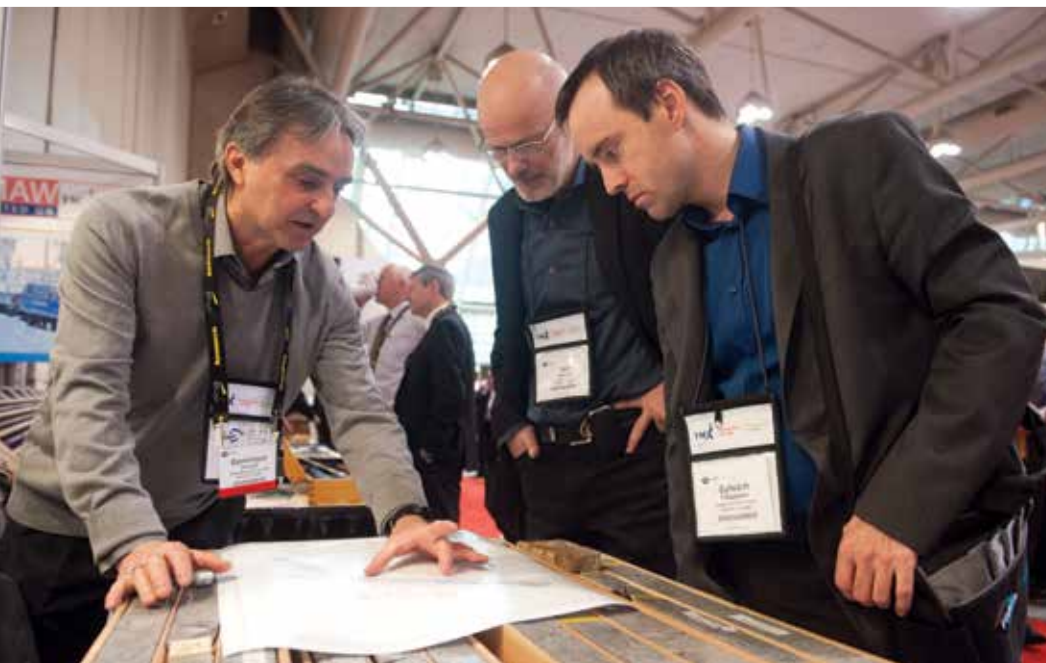
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CANADIAN GOVERNMENT REPRESENTATION

Federal Members of Parliament

30

including **8** Cabinet Ministers



PDAC 2015 AWARDS

The PDAC Board of Directors was pleased to announce the following award recipients for their outstanding contributions to the mineral exploration and mining industry.

The recipients received their awards at the PDAC 2015 Convention on March 2 at the Fairmont Royal York in Toronto.



VIOLA R. MACMILLAN AWARD

This award, which is named in honour of the PDAC's longest serving President, is given to (a) person(s) who has/have demonstrated leadership in management and financing for the exploration and development of mineral resources.

Matt Manson, President and Chief Executive Officer, Stornoway Diamond Corporation

For leading Stornoway's team in the continuing development of the company's Renard Project located in the James Bay region of Québec.

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Matt Manson, President and Chief Executive Officer of Stornoway Diamond Corporation, was the recipient of this year's Viola R. MacMillan Award for company or mine development. He received the award for leading Stornoway's team in the continuing development of the company's Renard Project located in the James Bay region of Québec. The team completed its \$946 million project financing package in July 2014, more than 13 years after the project's initial discovery.

In the early 2000s, Matt, then President and CEO of Contact Diamond Corporation, was looking for growth opportunities and concluded that Ashton Mining of Canada's 50 per cent interest in the Renard Property was Canada's best undeveloped diamond asset at the time. He knew that Contact Diamond would not be able to acquire Ashton Mining alone and approached Stornoway Diamond Corporation to propose a merger, which was completed in September 2006. In April 2011, Stornoway acquired the remaining 50 per cent of the Renard Property from Diaquem, Soquem, and Investissement Québec.

Matt took the Renard Project through its various phases of development, modifying and adjusting plans to ensure development. Over this period, he has also built up strong relationships with the Québec Government and the Cree Nation and has made them active partners with Stornoway. Most impressively he has put in place the financing necessary to construct the Renard Mine, despite extremely difficult markets.

THAYER LINDSLEY AWARD

This award recognizes an individual or a team of explorationists credited with a recent significant mineral discovery anywhere in the world.

Kamoa Discovery Team, Ivanhoe Mines Ltd.

For the team's discovery of the Kamoa Copper Deposit, Central African Copperbelt, Democratic Republic of Congo (DRC).

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The Ivanhoe Mines Ltd. Kamoa Discovery Team was the recipient of this year's Thayer Lindsley Award for international mineral discoveries. The team received the award for discovery of the Kamoa Copper Deposit in the Democratic Republic of Congo (DRC).

The deposit is located in the Central African Copperbelt on the western edge of the Katangan basin, approximately 25 km west of the Kolwezi district. The deposit is a new and blind grassroots discovery in an area previously written off by other explorers because of its lack of Mines Series rocks, as well as of surface mineralization.

In January 2013, a new independent mineral resource estimate was prepared for the Kamoa Copper Discovery by AMEC E&C Services of Reno, Nevada. The new estimate ranks Kamoa as Africa's largest high-grade copper discovery and the world's largest undeveloped high-grade copper discovery. As of January 2013, Ivanhoe Mines had discovered indicated mineral resources of 739 million tonnes grading 2.67% copper, containing 43.5 billion pounds of copper, and inferred mineral resources of 227 million tonnes grading 1.96% copper, containing 9.8 billion pounds of copper. A 1% copper cut-off grade and a minimum vertical mining thickness of three metres was applied in each classification.

The Kamoa Discovery Team was led by Dr. David Broughton, Executive Vice President of Exploration at Ivanhoe Mines, and Thomas Rogers, Director of Exploration, African Mining Consultants. In addition, the team included David Edwards, Geology Manager, Kamoa Project, Ivanhoe Mines; Dr. Douglas Haynes, Director, Douglas Haynes Discovery Pty. Ltd.; Dr. Ross McGowan, formerly of African Mining Consultants and currently CEO, Armada Exploration Ltd.; and Steven McMullan, P. Geo., Site Manager at Ivanhoe Mines' Kipushi Project, and Principal Geoscientist, African Mining Consultants.

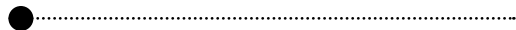
IVANHOE MINES
NEW HORIZONS

BILL DENNIS AWARD

This award, named for a former president of the association, honours individuals who have accomplished one or both of the following: made a significant mineral discovery; made an important contribution to the prospecting and/or exploration industry.

David Palmer, President and Chief Executive Officer, Probe Mines Limited

For his discovery of the Borden Gold Project located near Chapleau, Ontario.



David Palmer, President and Chief Executive Officer of Probe Mines Limited, was the recipient of this year's Bill Dennis Award for a Canadian mineral discovery or prospecting success. David Palmer received the award for the Borden Gold Project, a discovery located near Chapleau, Ontario.

The Borden Gold Project is an exciting and important new gold discovery that continues to evolve, grow and improve with continued exploration. Located in a previously unexplored area of Ontario, "the discovery could potentially be the beginning of a significant new gold district in Canada."

The company's June 2014 Technical Report estimated high-grade gold resources with potential for underground extraction in the Borden Gold Project totalling 1.60 million ounces of gold in the Indicated Resource category (9.3 million tonnes grading 5.39 grams of gold per tonne), and 0.43 million ounces of gold in the Inferred Resource category (3 million tonnes grading 4.37 grams of gold per tonne) at a 2.5 g/t Au cut-off. The deposit still remains open for expansion.

The Borden Gold Project in Canada is meaningful to the industry, especially with the dwindling number of significant gold discoveries globally, and could be the birth of Canada's next gold district. Probe Mines has also identified potential for new discoveries within the Borden and associated belts that extend to the northeast of the Borden gold zone, and the company recently acquired over 350 square kilometres of additional unexplored ground comprising the East Limb Property.



2015 MARY-CLAIRE WARD GEOSCIENCE AWARD

Jesse Reimink, a PhD student at the University of Alberta, was the 2015 recipient of the Mary-Claire Ward Geoscience Award. His PhD project focused on early Earth processes as recorded in the ~4.0 billion-year-old Acasta Gneiss Complex in the Northwest Territories. Specific questions that are being addressed relate to the nature and tectonic setting of crust formation on the early Earth, as well as secular trends documented within the ~600 million years of magmatism present within the Acasta Gneiss Complex.

Jesse received his award at the 2015 Joint Assembly earlier in May in Montreal.

The award, comprising \$5,000 and a certificate, is given annually and honours the memory of Mary-Claire Ward who died in 2004. At the time of her death, Mrs. Ward was the chair of the PDAC's Geoscience Committee, Chairman of Watts, Griffis and McOuat Ltd., and a Past President of the Geological Association of Canada. She was a passionate advocate for the geosciences in Canada.

The intent of the award is to encourage and support a graduate student in Canada whose thesis contributes to our knowledge about the geological history of Canada. Mapping is a significant component of the winning thesis.

The award is administered by the Prospectors & Developers Association of Canada (PDAC), the Geological Association of Canada (GAC), the National Geological Surveys Committee, the Canadian Geological Foundation, and Watts, Griffis and McOuat Ltd.

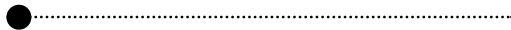
The Borden Gold Project in Canada is meaningful to the industry, especially with the dwindling number of significant gold discoveries globally, and could be the birth of Canada's next gold district.

DISTINGUISHED SERVICE AWARD

This award recognizes an individual who has achieved one or more of the following: made a substantial contribution to mineral exploration and mining development over a number of years; given considerable time and effort to the PDAC; made outstanding contributions to the mineral industry in the field of finance, geology, geophysics, geochemistry research, or a related activity.

Bill Pearson

For his outstanding contribution and dedication to Canada's mineral and exploration industry.



Bill Pearson was the recipient of this year's Distinguished Service Award. Bill received the award for his outstanding contribution and dedication to Canada's mineral and exploration industry in which he has worked for over 40 years. He has served as a tireless and dedicated pioneer and leader of his profession at both the provincial and national level.

Bill convened the first meeting of the Committee for the Professional Registration of Geoscientists of Ontario (CPRGO) in March 1989, which he chaired for seven years. He was President of the Association of Geoscientists of Ontario (AGO) from 1996 to 2000 and was the founding President of the Association of Professional Geoscientists of Ontario (APGO) from 2000 to 2003. In addition to his work for the geoscience profession in Ontario, Bill was instrumental in the formation of the Canadian Council of Professional Geoscientists (CCPG now Geoscientists Canada), where he served as one of CCPG's founding directors.

After obtaining a B.Sc. Honours degree in geology from the University of British Columbia in 1974, Dr. Pearson completed an M.Sc. in Economic Geology in 1977 and a Ph.D. from Queen's University in 1979. He then went on to enjoy a broad and varied professional career as a geoscientist spanning some 35 years of practice, largely in the minerals exploration and mining sector.

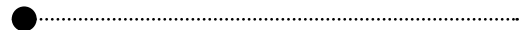


**ENVIRONMENTAL & SOCIAL
RESPONSIBILITY AWARD**

This award honours an individual or organization demonstrating outstanding initiative, leadership and accomplishment in protecting and preserving the natural environment and/or in establishing good community relations during an exploration program or operation of a mine.

Noront Resources Ltd.

For its accomplishments and commitment to social initiatives in northern Ontario.



Noront Resources Ltd. was the recipient of the 2015 Environmental and Social Responsibility Award. The company received the award for its accomplishments and commitment to social initiatives in northern Ontario. The company prides itself on having an open and honest dialogue with all stakeholders, especially the First Nations that surround the company's Eagle's Nest Project in the James Bay lowlands of northern Ontario.

Over the years, Noront has expanded its community engagement program to include education, skills training, youth programming and economic development in the area. The company has built a partnership with Matawa's Kiiikenomaga Kikenjigewen Employment and Training Services (KKETS) and Confederation College in Thunder Bay to create the Ring of Fire Aboriginal Training Alliance (ROFATA).

The company supports a number of educational programs aimed at overcoming barriers to higher education among Aboriginal communities, including Noront Mikawaa Scholarship Program, Schulich School of Business, Global Mining Management MBA Program, Capstone Project and Webequie First Nation's Grade 11 Mining Curriculum Program.

Noront also invests in community development by sponsoring programs like Mining Matters, an organization that educates students about Canada's geology and mineral resources, and DAREarts, a movie-making youth camp that helps students better understand mining and a donations and sponsorship program.

The company has worked hard to build initiatives it believes will provide long-term benefits to its shareholders and the communities in the region where they operate.

The company has worked hard to build initiatives it believes will provide long-term benefits to its shareholders and the communities in the region where they operate.



SKOOKUM JIM AWARD

Recipients of this award have demonstrated exceptional achievement and/or service in a Canadian Aboriginal-run service business for the Canadian mining industry or a Canadian Aboriginal exploration or mining company, or have made a significant individual contribution to the mining industry.

Sam Bosum, President, Native Exploration Services

For his strong and continued efforts to encourage and mentor Cree youth to pursue a career in mineral exploration.

Sam Bosum has been working with mining and exploration companies in the Chibougamau region of Québec for nearly 50 years. He began his career in the area in the 1960s, and has worked as a Director of several mining and exploration companies.

Currently the President of Native Exploration Services, an Aboriginal-owned company founded in 1984, Sam is based in the Oujé-Bougoumou Cree Nation, Québec. Native Exploration Services provides staking, line-cutting, and geophysical services to both the mining and exploration industries, and provides training in the field of basic mineral exploration methodologies (prospecting and sampling). The company offers significant employment and business opportunities in the region, and is considered a major employer in the Oujé-Bougoumou Cree Nation.

Sam has been a member of the Band Council of the Oujé-Bougoumou Cree Nation for the past 38 years and has focused his efforts on advancing the affairs of his community. During this time he has served as Deputy Chief and was elected as Chief in 2001, a position he held for eight years. Sam is still an active member of the Band Council of the Oujé-Bougoumou Cree Nation. He works to inspire and encourage the youth of his community to pursue their education and achieve the goals they set for themselves in their future careers, including that of geologists. ◀

S-IMEW 2015: AN INSIDE LOOK

As S-IMEW approaches its 10th anniversary, the workshop has become a can't-miss event for shaping the next generation of talent for the minerals and mining sector.

GEOSCIENCES STUDENTS FROM ACROSS CANADA made the annual pilgrimage to Sudbury, Ontario this past May for the 9th annual Student-Industry Mineral Exploration Workshop (S-IMEW). As the program approaches its 10th anniversary, an amazing 225 post-graduate students have attended the two-week workshop held in northeastern Ontario and western Quebec since its inception in 2007.

"S-IMEW is an outstanding experience that teaches students the business side of the mineral industry, as well as many other traditional topics such as field techniques and data analyses, which aren't covered in classes at most universities," says Christopher Voisey, a S-IMEW 2015 participant from Memorial University of Newfoundland (MUN) who was one of 26 post-secondary students from across the country who attended S-IMEW this past spring.

The two-week workshop provides students with a well-rounded overview of the industry, dividing time between lectures, field exercises, site visits and networking opportunities with industry professionals to help them lay the foundation for a successful career in the mineral exploration industry.

This year, students participated in lectures, presentations, and hands-on sessions that were focused on exploration and mapping techniques, mineral deposits, geophysics, geochemistry, regulatory requirements, health and safety, corporate social responsibility, and more.

The group took a four-day field trip during the second week of the workshop to the Abitibi Greenstone Belt, which included a visit to a junior exploration company in Val d'Or, a tour of the LaRonde gold mine at 1.7 km underground, and a tour of the historic Noranda camp in Quebec.

"I have seen student awareness and knowledge of the mineral exploration and mining industry increase with every workshop," says Felix Lee, co-chair of the S-IMEW planning committee. "We've had to continually improve the workshop to keep pace with the students. It's actually been quite liberating. It has allowed us to expand the scope of the workshop by introducing new material and delving deeper into a particular subject."

Many S-IMEW students are drawn to geology in university from a life-long love of the outdoors, in



addition to an interest in rocks and minerals from an early age. "As long as I can remember, I have had a rock collection. I sort of stumbled into [geology]," says Melissa Friend, a S-IMEW 2015 participant from the University of British Columbia (UBC). "I decided to take some Earth science courses in the first year of my undergrad and it was then that I knew geo-sciences would be a great fit."

S-IMEW is designed to give students considering a career in mineral exploration and mining a first-hand look at the industry, and the opportunity to participate in workshops on topics that are not normally covered in geology and geosciences programs taught in universities and colleges across Canada. The program provides students with an overview on the financial and regulatory aspects of the industry, the environment, social licence to operate, and of course technical aspects such as diamond drilling, core logging, grid and traverse mapping.

"The geology courses I took at UBC taught me the scientific and geological concepts fundamental to mineral exploration. However, they didn't teach how to apply those concepts to the industry," continues Friend. "Aspects of the industry that are often overlooked [at university] were included at S-IMEW. The example that comes to mind is the economics of the mineral exploration industry; I learned a lot of interesting things about economics at S-IMEW, as it is only briefly touched on in school."



According to Felix Lee, Canada's mineral exploration and mining industry is looking to S-IMEW graduates as future industry leaders. "S-IMEW will produce young Canadian geoscientists that are much more aware of their career options and the lifestyle demands that will be placed on them, which is important if our industry is to successfully both attract and retain this talent," he says.

S-IMEW's network extends beyond program alumni and the organizing committee. It also includes over 70 sponsors and volunteers that organizers depend on to help execute the workshop's programming. The continued success of the two-week workshop relies heavily on support from industry, government and academia, both in terms of financial support as well as in-kind volunteer support.

One of S-IMEW's major sponsors is the Ontario Ministry of Northern Development and Mines, which provides both in-kind and financial support to the program. Staff members from the Ontario Geological Survey (OGS) participate in the workshop's Government Mapping Day and the Geochemistry Days by teaching the students technical mapping and Geochemistry skills.

"S-IMEW is a great initiative and attracts students into the mining industry. There is no other workshop like it in Canada," says Sean MacLean, Trade, Investment and Marketing, Northern Development Division, Ministry of Northern Development and Mines. "It benefits the students by exposing them to the different types of careers available in the mining industry. It also gives them a first-hand look at what is involved and what the job might entail which in turn will help them make a decision on what career path to follow."

Golden Valley Mines is another major sponsor of S-IMEW. The company hosts the students during the Val-d'Or leg of the field trip, including a networking evening for students to meet local industry and government stakeholders. "The evening's activities offer the opportunity for the students to meet others from similar and diverse circumstances, but also liaise with industry professionals," says Glenn Mullan, Chairman of the Board, President, and Chief Executive Officer, Golden Valley Mines Ltd. "We like to be identified with S-IMEW because this is a program with practical access to

exploration methods and strategies, honourable ethics and industry best practices."

While Christopher Voisey advises those interested in a geosciences career to "put their all into it and to pursue it because they love it," Melissa Friend points to field experience as the competitive advantage needed for those looking to get ahead in the mineral and exploration industry. "Whether it is through summer work, internships or volunteering to be a field assistant for a graduate student, developing field skills and learning how to make maps is crucial to a successful career in mineral exploration," notes Friend.

But the work is just starting. Felix Lee is hoping to expand the work of S-IMEW and bring hands-on workshops like it to areas across Canada because he believes that "additional workshops would serve to increase the number of students we ultimately reach, and improve the variety of presentations as well as overall industry and government involvement."

When S-IMEW was created nearly a decade ago, it was done so with the goal of offering students an opportunity to gain valuable field experience and turn their theoretical knowledge into practical experience. As it turns out, such skills are not only beneficial to students trying to start a career, but also to companies looking to expand their workforces with students who might one day become industry leaders and ensure that Canada's minerals and mining sector flourishes in the years and decades ahead. ▶



2015 S-IMEW SPONSORS

PREMIER SPONSOR

Ontario Ministry of Northern
Development and Mines
Yamana Gold Inc.

GOLD SPONSORS

Abitibi Royalties Inc.
Agnico Eagle Mines Ltd.
Golden Valley Mines Ltd.
Goodman School of Mines,
Laurentian University

SILVER SPONSORS

Barrick Gold Corp.
Foraco International SA

BRONZE SPONSORS

IAMGOLD Corporation
St. Andrew Goldfields Ltd.
SRK Consulting (Canada) Inc.
Temex Resources Corp.

WORKSHOP SPONSORS

ACA Howe International Ltd.
AGAT Laboratories
Felix Lee
Ledcor Contractors Ltd.

IN-KIND SPONSORS

Abitibi Geophysics Inc.
ACA Howe International Ltd.
AGAT Laboratories
Agnico Eagle Mines Ltd.
Association of Professional
Geoscientists of Ontario (APGO)
Caracle Creek International
Consulting Inc.
De Beers Canada
DGI Geoscience Inc.
Fox High Impact Consulting
Franco-Nevada Corporation
Geodude Corner
Geological Survey of Canada
Golden Valley Mines Ltd.
Goodman School of Mines,
Laurentian University
Grenvyn Consulting Inc.
Laurentian University
Mining Research Group Inc.
Miocene Metals
Newmont Mining Corporation
Ontario Geological Survey
Ontario Securities Commission
Pro Forma Adam Promotions
Resource Capital Funds
RevLaw
Ronacher McKenzie Geoscience
Scintrex Limited
Shore Gold Inc.
Soucie Salo Safety Inc.
Stornoway Diamond Corporation
Sudbury Integrated Nickel
Operations
Vale Canada Ltd.
Wallbridge Mining Company Ltd.
Yorbeau Resources Inc.



WHAT I LEARNED AT S-IMEW 2015 **MELISSA FRIEND, UNIVERSITY OF BRITISH COLUMBIA**

- The geology courses I took at UBC taught me the scientific and geological concepts fundamental to mineral exploration, however they didn't teach how to apply those concepts to the industry. S-IMEW was the key to linking my studies with my career pursuits.
- I feel like I got more out of the workshop because we weren't sitting in a classroom the whole time. We were out in the field applying fundamental skills that we had learned in school, as well as obtaining new ones.
- As a hands-on learner, the skills and concepts that I obtained at S-IMEW won't fade due in a large part to the tactile nature of the workshop.
- The exposure to the industry with respect to industry events and unique opportunities to visit working operations and world-class mineral deposits during S-IMEW was extremely valuable.
- S-IMEW reaffirmed many of the skills I learned in school, and pointed out potential areas for growth and specialization that will be helpful in deciding my future career path.

INDUSTRY NEWS 2015

From the renewal of the Mineral Exploration Tax Credit (METC) to developments surrounding infrastructure and regulations, these are some of the major developments that occurred within the mineral exploration and development sector in 2015.

Mineral Exploration Tax Credit (METC) renewed at PDAC 2015

At the start of the PDAC 2015 Convention, then Minister of Finance Joe Oliver announces the proposed extension of the 15% Mineral Exploration Tax Credit (METC) until March 31, 2016. Often referred to as the “lifeblood” of junior mineral exploration, the METC continues to assist companies in securing capital and keeping investment flowing in volatile market conditions. Since 2006, the METC has helped junior mining companies raise over **\$5.5 billion** for exploration. In 2013, more than 250 companies issued flow-through shares eligible for the METC to more than 19,000 individual investors.

15%

Jeffrey Davidson named Canada's new CSR Counsellor

Jeffrey Davidson is appointed as Canada's Corporate Social Responsibility (CSR) Counsellor on **March 1 at PDAC 2015**. Established in 2009 under Canada's first CSR strategy, the Office of the CSR Counsellor was created to ensure that Canadian companies adopt best practices while operating abroad.

Following a 2014 review of the program, the mandate of the Office of the CSR Counsellor has been refocused on preventing, identifying and resolving disputes in their early stages, as well as increasing outreach with Canadian companies to ensure CSR guidelines are incorporated in their operating approach.



During PDAC 2015, then Federal Minister of Natural Resources and Minister for the Federal Economic Development Initiative for Northern Ontario Greg Rickford, along with the Honourable Michael Gravelle, Ontario Minister of Northern Development and Mines, announce a joint study of an all-weather transportation corridor in the region. Each government commits to invest in the study to enable the Webequie First Nation, in partnership with the First Nations of Eabametoong, Neskantaga and Nibinamik, to complete a regional community service corridor study.

Working Group on Natural Resources Development releases report on Aboriginal participation

On March 3, the Assembly of First Nations (AFN) and Aboriginal Affairs and Northern Development Canada (AANDC) Working Group on Natural Resources Development releases its report, *Advancing Positive Impactful Change: Finding the Ways and Means for First Nations to Fully Share in Natural Resource Development*.

The working group held two sessions in Edmonton and Toronto with First Nations leaders and industry experts that focused on governance, environment, prosperity and finance. The report outlines recommendations on how to increase Aboriginal participation in natural resource development projects based on discussions from the working group sessions, including the establishment of an independent resource centre to provide practical and technical information to allow First Nation governments, businesses and individuals to participate more in the development of natural resources.



\$ 1
BILLION

Ontario Government supports remote regions and regulatory improvements in 2015 Budget

On April 23, Ontario's Finance Minister, the Honourable Charles Sousa, releases the province's 2015 budget. The Ontario government pledges its continued commitment to infrastructure development, including transportation in the Ring of Fire area, located about 540 km northeast of Thunder Bay. The province has dedicated **\$1 billion** for strategic infrastructure development in the area and used the 2015 Budget to renew its call for the federal government to match the amount.

The 2015 Budget also outlines the province's plans to reduce business regulation by moving ahead with the *Better Business Climate Act*, which was enacted in December 2014. The Act will reduce unnecessary regulatory burdens and practices that cost businesses time and money. By the end of 2017, the province's target is to reduce compliance costs by \$100 million.

GOVERNMENT OF QUEBEC TABLES 2015 BUDGET

The government of Quebec tables its 2015 budget on March 26. While the province moves forward with its zero deficit mission, there was some good news for the mineral exploration and mining industry. Highlights of the proposed 2015 budget include:

- **\$1 billion** Capital Mines Hydrocarbures fund with **\$200 million** already put aside and another **\$800 million** in follow-on funding being prepared
- Maintaining the current flow-through share system and resource tax credit
- Expanding exploration expenses to include expenses related to community consultations and environmental studies
- Increasing claim registration and renewal fees by **eight per cent** in 2016 and 2017
- Tabling the *Extractive Sector Transparency Measures Act*
- Implementing Société du Plan Nord

Canada reshapes development in the North with Arctic Economic Council

April 24 marked the end of the Honourable Leona Aglukkaq's, Canada's Minister of the Arctic Council, two-year term as Chair of the council. Canada's legacy will be the creation of the Arctic Economic Council, a separate body made up entirely of the private sector that focuses on economic development in the North.

The Arctic Council was founded in 1996 and is made up of representatives from eight nations and six Indigenous groups who work together on shared foreign policy issues in the Arctic. During its chairmanship, Canada helped bring attention to the third pillar of sustainable development: the economy and sustainable livelihood of Arctic communities.

MINING INDUSTRY PROPOSES LEVELLING THE PLAYING FIELD IN CANADA'S NORTH

In May, the Prospectors & Developers Association of Canada (PDAC), Mining Association of Canada (MAC), Association of Consulting Engineering Companies—Canada, NWT & Nunavut Chamber of Mines, and the Yukon Chamber of Mines releases *Levelling the Playing Field*, a joint study on the cost of doing business in Canada's North.

The study's main findings are two-fold. Firstly, the costs of mineral exploration and building and operating mines are significantly higher in remote and northern regions of Canada. Secondly, this cost premium is directly linked to the lack of infrastructure in these areas. Unlike many of their southern counterparts, companies operating in these remote areas need to invest in costly—but essential—infrastructure like ports, power plants, winter and permanent roads, and accommodation facilities. In many cases, there are also sparse populations or no people for hundreds of kilometres from the project or mine.

Capital costs were higher for a range of commodities:

- **2.5 times higher** for base metal mines
- Approximately **double** for gold mines
- **15-20%** higher for diamond mines in the territories
- Exploration costs were up to 6 times higher in remote areas

MiHR: 106,000 workers needed in the next 10 years

The Mining Industry Human Resources Council (MiHR) releases its 2015 mining labour market report in June. In the report MiHR indicates that the industry will be short more than 106,000 workers in 10 years unless the situation is turned around. The annual 10-year outlook highlighted a number of factors contributing to the industry's ongoing labour market challenges, which include:

- Job vacancies mismatched with the skills of people who are seeking work
- Low levels of labour market participation among groups of potential workers
- Complex patterns of educational attainment, skills requirements and unemployment
- A reliance on commuting workers
- Lack of mobility among workers in some occupational groups
- Older workers retiring
- Gaps between the need to hire workers and new entrants to the pool of skilled workers

Canada's new *Extractive Sector Transparency Measures Act*

The Government of Canada's *Extractive Sector Transparency Measures Act* officially comes into force on June 1, 2015. The PDAC, along with MAC, Publish What You Pay-Canada and the Natural Resources Governance Institute (formerly the Revenue Watch Institute), actively promoted the need for Canada to adopt such a standard since late 2012 when they formed the Resource Revenue Transparency Working Group (RRTWG). In January 2014, the RRTWG released its final recommendations that were intended to provide Canada's federal and provincial governments with a blueprint for a payment reporting framework.

The Act was originally tabled as part of omnibus legislation, Bill C-43, to establish mandatory reporting requirements for payments made to governments by the Canadian extractive sector, including oil, gas and mining companies. Under the new law, Canadian companies will be required to report taxes, royalties and other payments they make to governments annually.

Exploration and mining industry calls for government collaboration on key challenges

During Canada's 72nd annual Energy and Mines Ministers Conference in Halifax in July, Canada's exploration and mining industry asked governments to focus on several challenges currently facing the sector during this prolonged period of economic downturn and uncertainty.

Government officials received a brief submitted by the Canadian Mineral Industry Federation (CMIF), prepared by the Prospectors & Developers Association of Canada and the Mining Association of Canada, outlining three policy priorities that will help the industry overcome current challenges and capitalize on the opportunities before it:

1. Address challenges in the transition to Canada's new regulatory regime and clarify the duty to consult
2. Address the higher costs of operating in remote and northern Canada
3. Help juniors to secure access to capital



UNCOVER ROADMAP OUTLINES AUSTRALIA'S FUTURE MINERAL WEALTH

Ian Macfarlane, Federal Minister for Industry and Science, and Bill Marmion, Western Australian Minister for Mines and Petroleum, unveiled an industry-sponsored roadmap, UNCOVER, in late July. The initiative aimed to identify the industry's long-term R&D and new pre-competitive geoscience data to help the country find and recover mineral deposits. The roadmap outlined 16 high priority activities to boost the exploration and mining industry and improve Australia's greenfields over the next decade.

Capital Markets Regulatory Authority

On August 25, the ministers responsible for capital markets regulation in British Columbia, Ontario, Saskatchewan, New Brunswick, Prince Edward Island and Yukon announce the publication for comment of a revised consultation draft of the uniform provincial/territorial Capital Markets Act (CMA), draft initial regulations and related materials. The CMA and the regulations would together constitute the single set of provincial/territorial laws under the Cooperative Capital Markets Regulatory System (Cooperative System).

40%

TRANS-PACIFIC PARTNERSHIP (TPP)

In September, negotiations on the Trans-Pacific Partnership (TPP) trade agreement conclude.

Canada joins 11 other countries seeking to create a free-trade zone around the Pacific region, making it the world's largest as the participating countries account for **40 per cent** of the world's economic output.

Liberal Party of Canada wins majority government

The Liberal Party of Canada wins the federal election on October 19 with a majority government and Justin Trudeau becomes Canada's 23rd Prime Minister. Newly-elected MPs are sworn into office on November 4 and new Cabinet Ministers are announced. The Honourable Jim Carr, MP for Winnipeg South Centre, is appointed Minister of Natural Resources and will provide leadership over issues impacting Canada's minerals and mining sector.

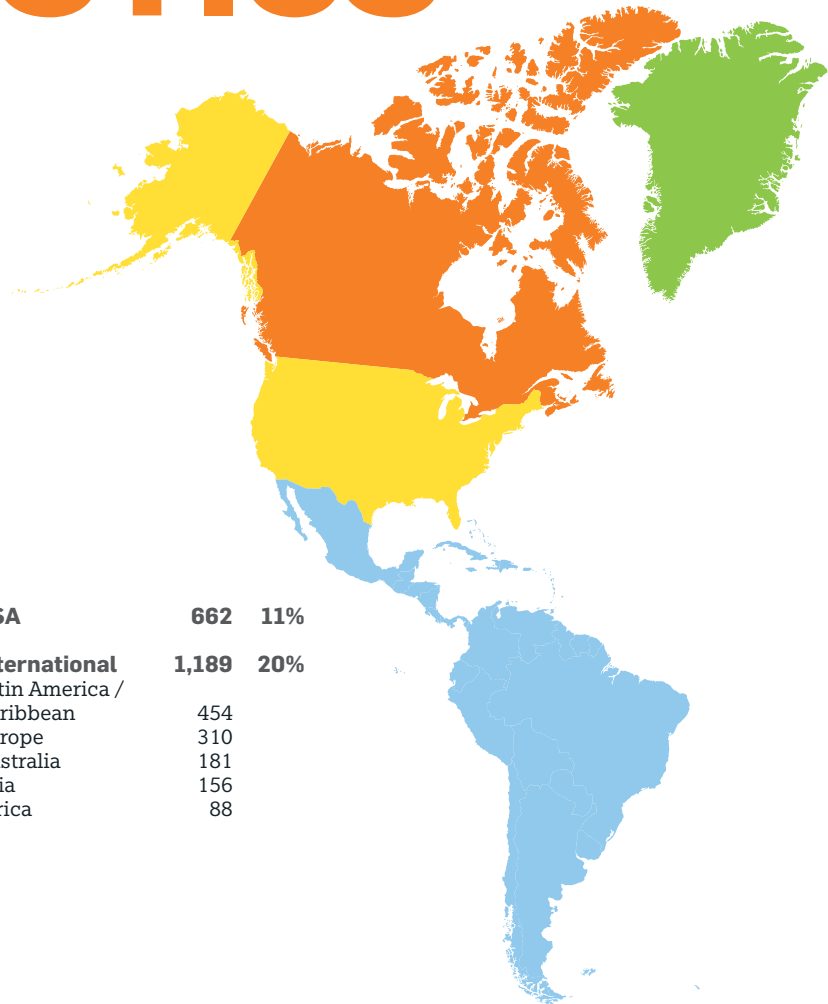
ICCM RELEASES UPDATED INDIGENOUS PEOPLES AND MINING GOOD PRACTICES GUIDE

In October, the International Council on Mining & Metals (ICMM) publishes an updated *Indigenous Peoples and Mining Good Practices Guide* to help mining companies build mutually-beneficial relationships with Indigenous Peoples. The guide outlines the principles for good engagement in order to foster respect for the rights, interests, aspirations, cultures and livelihoods of Indigenous Peoples. In December, ICMM also releases *Demonstrating Value*, a responsible sourcing guide, along with an *Understanding Company-Community Relations Toolkit*.

EXEMPTIONS TO IMPROVE ACCESS TO CAPITAL

Securities regulators in Ontario, Quebec, Manitoba, Saskatchewan, New Brunswick and Nova Scotia introduced an equity crowdfunding exemption in November to be in place by January 2016. Additionally, the Ontario Securities Commission will allow companies to use an Offering Memorandum exemption, an alternative to a full prospectus. PDAC has been advocating for these exemptions that could provide alternative capital raising methods for junior mineral exploration companies. ▶

2015 PDAC MEMBERSHIP STATISTICS



INDIVIDUAL MEMBERS
(EXCLUDING STUDENTS)
5,933

Canada	4,082	69%	USA	662	11%
NT	32		International	1,189	20%
NU	13		Latin America /		
YT	40		Caribbean	454	
BC	924		Europe	310	
AB	103		Australia	181	
SK	81		Asia	156	
MB	70		Africa	88	
ON	2,261				
QC	405				
PE	1				
NB	39				
NS	48				
NL	65				

PDAC MEMBERSHIP TREND	Individual members	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
		Core (paid)	1,890	1,898	1,940	2,217	1,956	2,091	2,335	2,417	2,431	2,252
Regular	1,819	2,271	2,683	2,755	1,976	2,408	3,283	3,895	3,834	3,127	2,792	
Senior	418	456	462	484	509	501	644	768	832	808	791	
Student	332	407	487	637	606	933	1,048	1,544	1,663	1,407	1,226	
Sub-total	4,459	5,032	5,572	6,093	5,047	5,933	7,310	8,624	8,760	7,594	6,780	
Life	170	169	175	197	208	273	288	291	294	289	283	
Complementary Core	22	53	113	83	105	94	97	106	106	102	96	
Total	4,651	5,254	5,860	6,373	5,360	6,300	7,695	9,021	9,160	7,985	7,159	
Increases (%):		8%	13%	12%	9%	-16%	18%	22%	17%	2%	-13%	-10%

**CORPORATE MEMBERS
960**

Canada	756	79%
NT	3	
NU	4	
YT	2	
BC	238	
AB	26	
SK	13	
MB	8	
ON	352	
QC	80	
PE	0	
NB	9	
NS	10	
NL	11	

USA 90 9%

International	114	12%
Europe	50	
Australia	31	
Latin America / Caribbean	18	
Asia	10	
Africa	5	

**STUDENT MEMBERS
1,226**

Canada	1,160	95%
NT	0	
NU	1	
YT	2	
BC	34	
AB	22	
SK	21	
MB	32	
ON	756	
QC	139	
PE	0	
NB	36	
NS	26	
NL	91	

USA 28 2%

International	38	3%
Europe	32	
Latin America / Caribbean	4	
Australia	1	
Africa	1	
Asia	0	

Corporate members	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Class A	11	10	13	18	17	19	26	24	25	23	20
Class B	6	6	7	7	4	5	10	8	9	5	9
Class C	7	8	11	15	15	16	20	23	22	9	10
Class D	8	9	9	7	16	19	22	24	21	26	18
Class E	1	1	1	2	8	18	17	15	18	12	12
Class F	10	15	17	15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sub-Total	43	49	58	64	60	77	95	94	95	75	69
Junior Exploration	357	410	445	547	561	545	577	651	582	450	384
Non-Mining	190	249	277	349	374	402	430	525	556	536	507
Total	590	708	780	960	995	1,024	1,102	1,270	1,233	1,061	960
Increases (%):	74%	20%	10%	23%	4%	3%	8%	15%	-3%	-14%	-10%

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