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**MINING ASSOCIATION OF  
MANITOBA INC. (MAMI)**  
January-December 2015 Annual Report

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700-305 BROADWAY, WINNIPEG, MB R3C 3J7  
MINES.CA  
(204) 989-1890



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## MESSAGE FROM THE PRESIDENT

As the voice of the industry within the province, we believe in the sustainable development of mineral resources for the benefit of all Manitobans. Manitoba has vast mineral potential and can be positioned as a leading mining jurisdiction. Three strategic goals are critical to our success: Competitiveness, Certainty and Capacity. Our industry will continue our work with the government and with First Nations to move these strategic goals forward. We are open for business, and we are committed to the industry, its growth and its future.

– Mark Scott

## MESSAGE FROM THE SAFETY & MINE RESCUE CO-CHAIRS

The mining industry celebrates another stellar year in safety performance, emergency preparedness and emergency response. It is again with pride I write about how well the mining industry continues to manage risk in our workplaces. I would like to extend my appreciation and gratitude to the men and woman of mining that contribute to the industry's ongoing success. Our focus will always be on managing risk as it is presented to us. To not accept mediocrity or complacency but to forge ahead to zero harm. Zero is possible and we will get there.

– Kirk Regular

Manitoba continues to be a leader in the field of safety and health excellence for the mining industry, and that is because of the hard work and commitment of our industry's men and women. I specifically would like to acknowledge our Manitoba Mine Rescue Instructors, a group of highly qualified and highly experienced individuals, who train each and every mine rescue personnel in our province. Knowing that the best of the best in Manitoba are guiding the future mine rescue personnel in our mines, is what helps make Manitoba mining one of the safest.

– Ian Cooper

# INTRODUCTION

## ▶ WHO WE ARE

It is important that our industry has a collective, strong voice in Manitoba. MAMI has been the voice of the mining industry in this province for over 75 years. We are governed by a board of directors, comprised of representatives of firms that employ 40 or more employees in Manitoba, including some of the largest employers in northern Manitoba. We also serve as a coordinator for interaction between the Crown, industry and Aboriginal peoples.

## ▶ WHAT WE DO

We provide a long list of services and support to our members such as:

- + Safety and Risk Management support
- + Emergency planning, preparedness and response
- + Strong advocacy and support
- + Access to a wealth of information
- + Influence policy and decisions
- + Involvement in special projects
- + Participation in any of our sub-committees  
(Exploration, Environment, Tax, Safety & Aboriginal Relations)

## ▶ MEMBERSHIP

In 2015, our Association had 23 members, including common and associate memberships. Firms or individuals undertaking mineral exploration, mine contractor, supplying goods or services to the mining industry corporation and firms operating a mine or a primary metal and/or a non-metal manufacturing plant or carrying on any business of a kindred nature may apply for membership.

## JANUARY – DECEMBER 2015

Although we have seen change in our association over the past year, which is reflective of the current market reality, we have continued to support our membership. We are constantly improving, adapting and becoming more efficient.

- ▶ Integrated the Mines Accident Prevention Association of Manitoba (MAPAM) into the Mining Association, forging a tighter connection to the operating mining industry in Manitoba.
- ▶ Represented at the National Western Regional Mine Rescue Competition in Fernie
- ▶ Held our 54th successful annual provincial mine rescue competition ([http://www.mines.ca/provincial\\_national\\_and\\_international\\_competitions.php](http://www.mines.ca/provincial_national_and_international_competitions.php))
- ▶ Improved presence at the 2015 Manitoba Minerals and Mining Convention
- ▶ Released the Infographic: Mining is a crucial industry for Manitoba (<http://www.mines.ca/publications.php>)
- ▶ Developed the Mining Life Cycle diagram (<http://www.mines.ca/publications.php>)
- ▶ Contributed to media on the mining industry (<http://www.mines.ca/news.php>)
- ▶ Revised our strategic plan for 2016-2019 ([http://www.mines.ca/vision\\_mission\\_purpose.php](http://www.mines.ca/vision_mission_purpose.php))
- ▶ Represented at PDAC
- ▶ Continued work with 6 committees: Aboriginal Relations, Safety, Mine Rescue, Exploration, Environment & Taxation which included:
  - + Scheduled teleconferences with membership discussing Aboriginal Relations
  - + Participated and signed the Northern Declaration: A Declaration of Common Values for the Sustainable Development of the Boreal in Northern Manitoba
  - + Continued participation for the Minister's Mining Advisory Council
  - + Published the 2015 Guidelines for Mineral Exploration in Manitoba (<http://www.mines.ca/publications.php>)
  - + Developed the Aboriginal Engagement Handbook: A handbook for proponents of mineral exploration and mining in Manitoba (to be published in 2016)
  - + Provided an updated and refreshed look to our Manitoba Mine Rescue logo
  - + Determined objectives and goals for upcoming year for all committees
  - + Developed Terms of References for all committees
- ▶ Contributed to the MEC prosperity report (<http://www.mines.ca/publications.php>, <http://www.winnipegfreepress.com/opinion/editorials/can-manitoba-do-better-374564061.html>)
- ▶ Participated in meetings with Ministers and staff on issues affecting the industry
- ▶ Presented at the minerals convention, Minister's Mining Advisory Council and TDS.

# STATISTICS

## ▶ AVERAGE NUMBER OF EMPLOYEES

2014: 3,424

2015: 3,123

**8.79% reduction**

## ▶ EXPOSURE HOURS

2014: 7,475,908

2015: 6,728,140

**10% reduction**

## ▶ SEVERITY RATE

2014: 17.42

2015: 15.67

**Decrease**

## ▶ TIME LOSS INJURIES (LTI)

2014: 24

2015: 19

**Decrease**

## ▶ LOST TIME FREQUENCY RATE

2014: 0.64

2015: 0.56

Decrease

**No fatalities occurred in 2015.**

**One fatality has occurred in the last 15 years.**

## ▶ DAYS OF LOST TIME

2014: 651

2015: 527

**19 % reduction**

\*The days of lost time, or the severity factor is important because days of lost time are cost drivers whereby the frequency rate is basically an accounting of the number of accidents.

## ▶ MEDICAL AID INJURIES

2014: 407

2015: 444

**19% reduction**

## ▶ TOTAL NUMBER OF INJURIES

2014: 431

2015: 463

**9.1% increase**

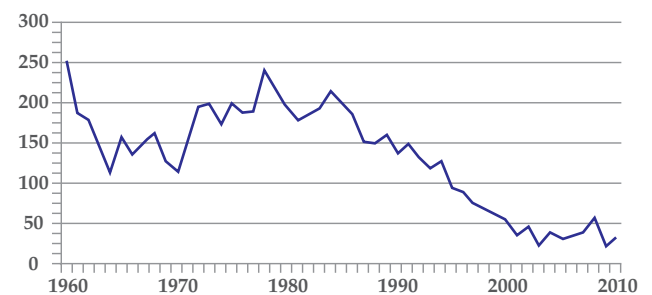
## ▶ TOTAL INJURY FREQUENCY RATE

2014: 11.53

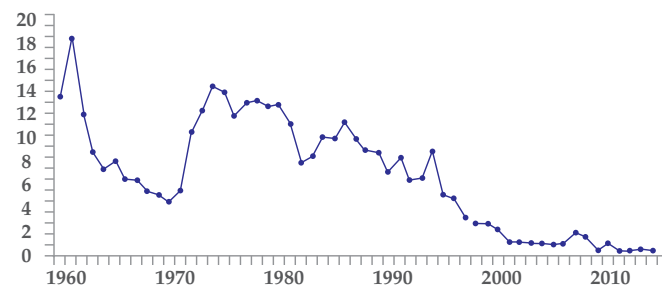
2015: 13.76

**Increase**

MANITOBA INJURY SEVERITY RATE (1960–2015)



MANITOBA LOST TIME FREQUENCY RATE (1960–2015)



## STAFF & BOARD OF DIRECTORS (AS AT DECEMBER 31, 2015)

### ► BOARD OF DIRECTORS

**M. Scott, Vale**, *Vice President, MAMI*

**L. Paulic, Vale**, *President, MAMI*

*(\*until December 2015)*

**R. Winton, Hudbay**, *President, MAMI*

*(\*December until June 2016)*

**K. Regular, Vale**, *Director, MAMI*

**I. Cooper, Hudbay**, *Director, MAMI*

**R. Trudeau, Hudbay**, *Director, MAMI*

**S. Maldonado, Graymont**, *Director, MAMI*

**W. Coetzer, Tanco**, *Director, MAMI*

### ► STAFF

**Renaë Campbell**, *Director of Communications, MAMI*

**Tim Friesen**, *Executive Vice President, MAMI*

*(until March 2016)*

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## SAYING GOODBYE

We lost two dedicated colleagues this past year, Mr. Graham Ennis of Major Drilling Group and Mr. Denis Beaudoin of Cementation. Their contributions to mining health and safety are endless, especially to the work of the association. They will be missed.

## MINE RESCUE



As you know, the Manitoba mining industry is not only one of the safest industries in this province, but also in Canada. It is because of competitions such as our provincial mine rescue competition, which test the completeness of our emergency response plans and competencies of our response personnel, that our mines can provide the same high level of rescue services across the province should an incident arise.

The exemplary commitment of the men and women involved in the Mine Rescue program is matched only by their performance both in training exercises and real emergencies. They are highly skilled and highly trained individuals, and truly are the heroes in our industry.

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## CERTIFICATES & AWARDS

### + Participants qualifying for Basic Mine

**Rescue Certification** – 18

### + Mine rescue personnel awarded

**Instructor Certification** – 3 (Marshall Manns, Trevor Thurstan, Tracey Knutson)

### + Personnel receiving Director of

**Operations Training** – 7

### + Mine Rescue Service Awards:

5 Years – 4 Recipients

10 Years – 3 Recipients

36 years – 1 Recipient



# 2015 MANITOBA PROVINCIAL MINE RESCUE COMPETITION

The 2015 Manitoba Provincial Mine Rescue Competition date was changed to October 2015, and with the many volunteers and sponsors, the two day event was a success in Flin Flon, Manitoba.

Mine rescue competitions have been held since 1961 in Manitoba. These competitions test the completeness of our emergency response plans and competencies of our response personnel; essential in continuing to provide the same high level of rescue services across the province. Teams are judged on first aid, fire fighting, knowledge, obstacle and recovery and practical skills.

Teams representing Hudbay Flin Flon, Hudbay Snow Lake, Vale and Tanco competed against one another at the annual Manitoba Provincial Mine Rescue Competition.

The winner of the event was Vale Manitoba Operations. Team members of the winning team are Kelly Edwards (Captain), Chris Matechuk (Vice Captain), Tomasz Bak, Joe Catarino, Trevor Parsons, Murray Keough (Director of Operations), Todd Yuskow (Technician) and Warren Brass (Coach).

In addition to being the host of this year's event, Hudbay Flin Flon took home the Runner-Up Award.



The Technician Award was also presented to Craig Kulbaba from Tanco. This award is given to the individual who demonstrates the highest level of proficiency in preparing the breathing apparatus that rescue personnel use in emergency situations.



## **2016 MANITOBA PROVINCIAL MINE RESCUE COMPETITION**

Next year's 55th competition will be hosted by Vale Manitoba Operations, in Thompson, Manitoba. Some of the improvements to the competition will include two additional awards presented to the most proficient team in fire fighting and practical skills, implementing lock up with the teams, underground mine rescue mission will take place on Friday, and First Aid will be added to the underground mine rescue mission. The theme is 'Back to Basics'.

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## **NATIONAL WESTERN REGIONAL MINE RESCUE COMPETITION (NWRMRC)**

The twelfth biennial competition was held in Fernie, British Columbia on September 11 & 12, 2015. Hudbay Snow Lake, the winner of the 2014 Manitoba Provincial Mine Rescue Competition, represented Manitoba at the NWRMRC this year.

In 2017, three teams from Manitoba will be potentially eligible to attend the competition (the 2015, 2016 and 2017 winners).

## **INTERNATIONAL MINE RESCUE COMPETITION (IMRC)**

IMRC will take place August 18-27, 2016 in Sudbury, Ontario. 30 representing 20 nations will participate in the bi-annual competition. Vale Manitoba Operations was accepted as an applicant and will be representing Manitoba next year.

# OUR FUTURE

## Going Forward

Manitoba can become a global leader in the sector, characterized by safe and secure operations, a transparent, predictable and competitive regulatory climate, environmentally and socially sustainable industry practices, and trusting stakeholder partnerships which provide mutual benefits for all Manitobans.

We will continue to advocate for the collective interests of Manitoba's mining industry and the advancement of the sector through education and collaboration with our industry members, government, Aboriginal and other stakeholders.

The Association has identified key priority areas to help make Manitoba the most improved mining jurisdiction in Canada:

## ► COMPETITIVENESS

To build a successful mining industry, Manitoba requires a competitive regulatory framework, which includes equitable tax treatment relative to other Manitoba manufacturers and mining companies in leading Canadian mining jurisdictions; and, consistent application of all relevant policy and regulation.

### 1. Necessity of Access to Land

- + Manitoba has vast mineral potential. Discovering and developing future mineral deposits requires access to large areas of land. The lack of land access severely hinders the sustainability of the mining industry.

### 2. Mining Tax Rates

- + In addition to offering lower mining tax rates, neighbouring jurisdictions allow mining companies to depreciate their capital investments much more quickly, many within the same year in which they were incurred. This allows mining companies to realize and redeploy the full tax benefit of their investment more quickly.

### 3. New Mining Investment Tax Credit

- + Provide mining companies with the same tax treatment as other Manitoba manufacturing companies.

### 4. Remove Barriers to Developing Inter-Provincial Mineral Belts

- + Allow processing at Manitoba mills from non-Manitoba mines without Processing Allowance penalty.

### 5. Increased Resources for Manitoba Geological Survey

- + Resume historic levels of funding / match neighbouring jurisdictions.

### 6. Limit PST Audit Cycles to 3 Years (WCC, MCC, CME)

- + PST audits cycles are up to 10 years now, resulting in wasted resources and excessive fines. Shared issue with the Chambers and various manufacturing associations.

## ► CERTAINTY

To build a successful mining industry, Manitoba requires secure and timely access to land with mineral potential; a defined and transparent system of consultation and permitting which identifies participant roles, responsibilities and timelines; improved communication between government departments; and, consistent application of policy and regulation.

### 1. Manitoba Hydro electricity costs

- + Electricity remains a substantial operating cost for mining operations. The Manitoba Hydro rate increases at nearly 4% in 2015 and 2016, resulting in high costs for Manitoba mines.

### 2. Process efficiency

- + Improve and provide more transparency of internal government processes related to permitting and tighten timelines associated with consultation. Ensure the level of activity be commensurate to level of consultation.

### 3. Regulatory consistency

- + WSH vs Operation of Mines Regulation differences, ACGIH automatic adoption.

### 4. Improve communication between government departments

- + Coordinate conversations between Conservation, Parks and Mineral Resources.

### 5. Strengthen voice of industry in development of protected areas

- + Provide appropriate weight to areas of high mineral potential in developing park boundaries. Industry has recently signed the Boreal Declaration, a Declaration of Common Values for the Sustainable Development of the Boreal in Northern Manitoba.

### 6. Relief from Work Requirements until work permits are in place

- + Suspend work requirements while First Nation consultations are ongoing.

## ► CAPACITY

Mining is the highest paid industrial sector in Manitoba, and as such, requires a highly capable, high performing, and highly skilled workforce. Helping to support workforce adjustment programs and ensuring training funding is targeted towards viable employment opportunities are ways that we can create and sustain jobs in our province.

#### 1. Workforce Adjustment (2018 Thompson, 2020 Flin Flon)

#### 2. Infrastructure

- + All weather roads & highway load limits.
- + Rail line physical reliability & service.

#### 3. Workforce training & development

- + Cradle to Careers workforce development – close to home.

- + Support Northern Sector Council training to employment programs.
- + Support industrial skills & trades training centre (UCN).
- + Ensure training funding is targeted toward viable employment opportunities.

## 4. Northern Economic Development Strategy

### ► SAFETY

Mining continues to be one of the safest industries in Manitoba. MAMI will continue to provide expert leadership in the field of safety and health excellence for the mining industry and overall governance for the Manitoba Mine Rescue Program. This includes testing the completeness of our emergency response plans and competencies of our response personnel both locally and provincially, and maintaining a presence at national and international competitions such as the National Western Region Mine Rescue Competition and the International Mine Rescue Competition.

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**Our ongoing work together and as an association will help us move towards a successful and sustainable mineral and exploration industry – an industry that can be the number one mining jurisdiction in Canada.**



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