

Tabular Material

Table 1: Canada—Percentage of Respondents Who Indicate Factors Encourage/Are Neutral to Exploration Investment*

Province/Factor	BC	AB	SK	MB	ON	QC	NB	NS	NF	NU	NT	YT
Taxation	21%	87%	64%	90%	82%	90%	74%	70%	64%	67%	73%	74%
Environmental Regulation	4%	64%	50%	65%	63%	73%	46%	50%	54%	39%	36%	42%
Regulatory Duplication	19%	66%	54%	63%	66%	72%	46%	49%	39%	40%	37%	44%
Land Claims Uncertainty	7%	54%	49%	50%	55%	64%	48%	50%	38%	35%	24%	27%
Protected Areas Uncertainty	7%	57%	52%	62%	50%	65%	48%	55%	46%	47%	39%	40%
Labour Regulation	24%	79%	60%	70%	72%	67%	59%	57%	61%	50%	56%	63%
Uncertainty in the Administration, Interpretation, and Enforcement of Regulations	12%	75%	63%	84%	71%	82%	69%	54%	38%	44%	46%	48%
Infrastructure	59%	90%	76%	81%	90%	83%	87%	81%	57%	21%	23%	30%
Socioeconomic Agreements	47%	88%	81%	89%	83%	84%	85%	83%	59%	44%	45%	70%
Political Stability	55%	98%	90%	91%	93%	80%	93%	87%	75%	78%	82%	82%
Mineral Potential Assuming Current Regulation	36%	57%	66%	83%	86%	89%	60%	41%	52%	64%	62%	68%
Mineral Potential Assuming No Land Use Restrictions	95%	61%	78%	92%	98%	97%	75%	57%	90%	92%	98%	98%

* This includes both those respondents who claim the factor “encourages exploration investment” and those who indicate the factor is “not a deterrent to exploration investment.”

Table 2: United States of America—Percentage of Respondents Who Indicate Factors Encourage/Are Neutral to Exploration Investment*

State/Factor	AK	AZ	CA	CO	ID	MN	MT	NV	NM	SD	UT	WA	WI	WY
Taxation	77%	66%	24%	44%	59%	44%	39%	93%	61%	40%	58%	33%	28%	55%
Environmental Regulation	36%	42%	4%	9%	30%	18%	8%	60%	31%	16%	32%	2%	0%	28%
Regulatory Duplication	39%	35%	5%	6%	30%	16%	12%	59%	17%	10%	29%	6%	10%	28%
Land Claims Uncertainty	60%	72%	67%	64%	71%	70%	65%	83%	64%	60%	62%	66%	65%	62%
Protected Areas Uncertainty	30%	33%	18%	20%	34%	25%	23%	54%	29%	28%	27%	23%	25%	28%
Labour Regulation	75%	84%	64%	79%	82%	63%	78%	88%	82%	74%	85%	66%	61%	74%
Uncertainty in the Administration, Interpretation, and Enforcement of Regulations	52%	54%	13%	17%	44%	26%	12%	71%	34%	27%	36%	13%	11%	41%
Infrastructure	38%	92%	84%	90%	94%	90%	90%	97%	91%	87%	91%	83%	85%	87%
Socioeconomic Agreements	77%	90%	62%	71%	86%	86%	77%	94%	83%	80%	89%	74%	78%	86%
Political Stability	94%	93%	75%	84%	91%	83%	80%	96%	82%	83%	91%	82%	83%	94%
Mineral Potential Assuming Current Regulation	78%	57%	24%	32%	44%	33%	39%	80%	46%	35%	56%	24%	19%	42%
Mineral Potential Assuming No Land Use Restrictions	97%	87%	78%	80%	79%	66%	85%	99%	80%	60%	72%	66%	60%	65%

* This includes both those respondents who claim the factor “encourages exploration investment” and those who indicate the factor is “not a deterrent to exploration investment.”

Table 3: International—Percentage of Respondents Who Indicate Factors Encourage/Are Neutral to Exploration Investment*

Jurisdiction/ Factor	Arg	Bol	Bra	Chi	Col	Ecu	Mex	Per	Ven	Aus	Chn	Gha	Ind	Kaz	PNG	Phi	Rus	SAf	Zim
Taxation	61%	63%	60%	92%	53%	64%	69%	80%	40%	79%	24%	68%	32%	0%	18%	15%	0%	62%	15%
Environmental Regulation	81%	81%	80%	88%	78%	85%	76%	88%	67%	72%	83%	85%	65%	81%	78%	69%	70%	84%	77%
Regulatory Duplication	33%	58%	68%	76%	41%	38%	47%	65%	24%	80%	13%	60%	16%	11%	13%	17%	13%	48%	24%
Land Claims Uncertainty	87%	61%	67%	95%	74%	56%	67%	65%	67%	14%	75%	72%	41%	62%	25%	21%	81%	15%	21%
Protected Areas Uncertainty	97%	93%	83%	98%	85%	70%	95%	78%	78%	65%	85%	75%	52%	79%	60%	60%	84%	74%	74%
Labour Regulation	60%	63%	65%	81%	57%	50%	56%	63%	44%	68%	50%	56%	54%	39%	57%	75%	43%	47%	24%
Uncertainty in the Administration, Interpretation, and Enforcement of Regulations	54%	56%	58%	87%	29%	40%	67%	60%	14%	81%	10%	46%	13%	7%	23%	13%	6%	41%	10%
Infrastructure	34%	16%	35%	75%	23%	24%	58%	37%	33%	75%	16%	33%	17%	12%	0%	27%	0%	78%	29%
Socioeconomic Agreements	68%	50%	70%	91%	44%	42%	63%	51%	46%	84%	39%	55%	19%	36%	17%	27%	30%	30%	19%
Political Stability	36%	27%	51%	49%	6%	13%	67%	13%	15%	95%	27%	34%	4%	5%	5%	8%	0%	19%	4%
Mineral Potential Assuming Current Regulation	72%	64%	78%	95%	59%	55%	79%	77%	47%	90%	42%	66%	47%	30%	36%	45%	41%	54%	33%
Mineral Potential Assuming No Land Use Restrictions	88%	85%	100%	100%	83%	83%	92%	94%	82%	98%	98%	92%	97%	84%	94%	89%	96%	90%	87%

Arg = Argentina; Bol = Bolivia; Chi = Chile; Col = Columbia; Ecu = Ecuador; Mex = Mexico; Per = Peru; Ven = Venezuela; Aus = Australia; Chn = China; Gha = Ghana; Ind = Indonesia; Kaz = Kazakhstan; PNG = Papua New Guinea; Phi = Philippines; Rus = Russia; SAf = South Africa; Zim = Zimbabwe

*This includes both those respondents who claim the factor “encourages exploration investment” and those who indicate the factor is “not a deterrent to exploration investment.”

Table 4: Canada—Percentage of Respondents Who Consider Factors a Strong Deterrent to Exploration Investment*

Province/Factor	BC	AB	SK	MB	ON	QC	NB	NS	NF	NU	NT	YT
Taxation	55%	1%	2%	2%	1%	4%	8%	8%	15%	12%	6%	8%
Environmental Regulations	77%	11%	14%	6%	10%	10%	17%	24%	24%	20%	20%	30%
Regulatory Duplication	55%	12%	17%	11%	9%	12%	27%	22%	27%	33%	30%	38%
Land Claims Uncertainty	77%	13%	16%	14%	13%	9%	16%	16%	30%	35%	37%	37%
Protected Areas Uncertainty	81%	9%	12%	8%	15%	7%	14%	17%	19%	26%	24%	32%
Labour Regulation	34%	0%	6%	5%	2%	3%	2%	2%	5%	13%	9%	12%
Uncertainty in the Administration, Interpretation, and Enforcement of Regulations	70%	6%	10%	8%	7%	9%	8%	17%	36%	26%	25%	28%
Infrastructure	10%	1%	2%	1%	0%	0%	2%	3%	5%	44%	39%	23%
Socioeconomic Agreements	23%	2%	5%	3%	2%	3%	4%	9%	19%	18%	15%	13%
Political Stability	26%	0%	3%	2%	1%	7%	0%	1%	13%	10%	5%	10%
Mineral Potential Assuming Current Regulation	38%	21%	10%	5%	5%	6%	11%	27%	19%	19%	14%	15%
Mineral Potential Assuming No Land Use Restrictions	2%	16%	3%	1%	0%	0%	5%	13%	1%	0%	1%	3%

* This includes both those respondents who claim the factor is a “strong deterrent to exploration investment” and those who “would not pursue exploration investment in this region due to this factor.”

Table 5: United States of America—Percentage of Respondents Who Consider Factors a Strong Deterrent to Exploration Investment*

State/Factor	AK	AZ	CA	CO	ID	MN	MT	NV	NM	SD	UT	WA	WI	WY
Taxation	4%	0%	50%	32%	15%	29%	24%	0%	14%	30%	12%	44%	55%	10%
Environmental Regulation	29%	22%	81%	69%	44%	53%	72%	23%	47%	54%	39%	81%	85%	44%
Regulatory Duplication	17%	18%	54%	53%	21%	41%	41%	8%	23%	37%	29%	55%	50%	25%
Land Claims Uncertainty	10%	8%	17%	18%	9%	12%	14%	6%	12%	14%	9%	13%	10%	9%
Protected Areas Uncertainty	28%	25%	50%	46%	29%	31%	31%	18%	29%	36%	29%	40%	38%	31%
Labour Regulation	2%	0%	8%	3%	0%	0%	0%	0%	3%	0%	0%	9%	7%	0%
Uncertainty in the Administration, Interpretation, and Enforcement of Regulations	17%	15%	60%	58%	23%	39%	56%	8%	34%	42%	26%	65%	67%	19%
Infrastructure	16%	0%	4%	2%	0%	0%	2%	0%	0%	0%	2%	6%	5%	2%
Socioeconomic Agreements	2%	0%	19%	11%	3%	0%	6%	0%	3%	6%	3%	15%	16%	3%
Political Stability	0%	0%	10%	4%	2%	6%	9%	0%	4%	4%	2%	9%	8%	0%
Mineral Potential Assuming Current Regulation	8%	19%	46%	30%	26%	41%	43%	10%	32%	30%	27%	52%	60%	33%
Mineral Potential Assuming No Land Use Restrictions	0%	2%	9%	5%	4%	5%	3%	0%	4%	11%	4%	7%	8%	10%

* This includes both those respondents who claim the factor is a “strong deterrent to exploration investment” and those who “would not pursue exploration investment in this region due to this factor.”

Table 6: International—Percentage of Respondents Who Consider Factors a Strong Deterrent to Exploration Investment*

Jurisdiction/ Factor	Arg	Bol	Bra	Chi	Col	Ecu	Mex	Per	Ven	Aus	Chn	Gha	Ind	Kaz	PNG	Phi	Rus	SAf	Zim
Taxation	10%	7%	4%	0%	29%	18%	7%	7%	40%	0%	48%	14%	32%	88%	24%	20%	78%	24%	55%
Environmental Regulation	0%	0%	0%	0%	4%	4%	2%	0%	0%	7%	7%	11%	14%	10%	4%	10%	15%	3%	12%
Regulatory Duplication	17%	8%	3%	3%	18%	5%	14%	8%	24%	5%	44%	20%	44%	50%	40%	26%	48%	22%	43%
Land Claims Uncertainty	0%	7%	0%	0%	0%	4%	7%	10%	5%	31%	15%	6%	15%	23%	19%	17%	14%	26%	50%
Protected Areas Uncertainty	3%	4%	5%	3%	5%	9%	2%	3%	4%	5%	15%	10%	22%	7%	13%	20%	11%	4%	5%
Labour Regulation	17%	7%	5%	2%	5%	12%	7%	2%	16%	5%	10%	6%	7%	23%	7%	10%	29%	18%	41%
Uncertainty in the Administration, Interpretation, and Enforcement of Regulations	18%	19%	9%	4%	42%	32%	12%	16%	45%	4%	61%	31%	61%	82%	55%	50%	83%	24%	76%
Infrastructure	15%	22%	15%	7%	27%	24%	12%	14%	15%	4%	25%	19%	25%	48%	56%	17%	50%	6%	23%
Socioeconomic Agreements	12%	10%	7%	5%	24%	19%	7%	12%	13%	2%	32%	25%	31%	41%	39%	33%	56%	30%	63%
Political Stability	7%	19%	7%	5%	69%	43%	6%	27%	54%	2%	59%	34%	82%	80%	56%	58%	78%	40%	77%
Mineral Potential Assuming Current Regulation	2%	6%	3%	0%	22%	11%	5%	8%	16%	2%	30%	11%	27%	36%	27%	23%	44%	28%	42%
Mineral Potential Assuming No Land Use Restrictions	0%	2%	0%	0%	4%	2%	0%	0%	0%	0%	0%	0%	0%	5%	0%	2%	2%	3%	6%

Arg = Argentina; Bol = Bolivia; Chi = Chile; Col = Columbia; Ecu = Ecuador; Mex = Mexico; Per = Peru; Ven = Venezuela; Aus = Australia; Chn = China; Gha = Ghana; Ind = Indonesia; Kaz = Kazakhstan; PNG = Papua New Guinea; Phi = Philippines; Rus = Russia; SAf = South Africa; Zim = Zimbabwe

*This includes both those respondents who claim the factor is a “strong deterrent to exploration investment” and those who “would not pursue exploration investment in this region due to this factor.”

Table 7: Number of Companies Indicating a Jurisdiction has the Most/Least Favourable Policies Towards Mining

Jurisdiction	Most Favourable	Least Favourable	Jurisdiction	Most Favourable	Least Favourable
British Columbia	0	50	China	0	2
Quebec	30	0	Colombia	0	2
Chile	22	0	Kazakhstan	0	2
Canada	12	7	Africa	0	1
United States	3	15	Anywhere outside of USA and Canada	0	1
Ontario	16	0	Brazil	0	1
Nevada	15	0	Central and North Africa	1	0
Russia/CIS	0	13	Colorado	0	1
Manitoba	11	0	Congo	0	1
Australia	9	0	Democratic Republic of Congo	0	1
Alberta	8	0	Guinea	0	1
Indonesia	0	8	India	0	1
Mexico	8	0	Malaysia	0	1
Newfoundland	2	4	Mozambique	1	0
Yukon	0	5	Namibia	1	0
Oregon	0	4	New Mexico	0	1
Papua New Guinea	2	2	Nova Scotia	1	0
Peru	4	0	Nunavut	0	1
South Africa	3	1	Saudi Arabia	1	0
South America	2	2	South Dakota	0	1
Latin America	2	2	Sri Lanka	1	0
Alaska	3	0	Sweden	1	0
Montana	0	3	Tanzania	1	0
Northwest Territories	0	3	Utah	1	0
Washington	0	3	Venezuela	0	1
Wisconsin	0	3	Zimbabwe	0	1
California	0	2			

Section II: Investment Overview

Figures 16 and 17 show where the companies responding to our survey are spending their exploration budgets. Tables 8 and 9 show the changes in investment allocation between 1999 and 2000. The results for senior mining companies, representing roughly US\$650 million, show that they are spending proportionally less money in Canada and the US than reported in last year's survey: Canada represents 17 percent of the exploration spending (down from 26 percent last year) while the US represents 7 percent of spending (down from 15 percent last year). Brazil and Chile each attracted 11 percent of senior exploration budgets, an increase over last year for both countries. Australia attracted 13 percent of the exploration budgets of senior mining companies, roughly the same as last year. Exploration dollars spent in Argentina increased from just over 1 percent of senior company budgets reported in last year's results to roughly 5 percent this year. Mexico and Indonesia both saw proportionately less spending than last year, while Peru saw a slight increase.

Table 8: Senior Mining Company Exploration Expenditures 1999-2000

Jurisdiction	1999		2000	
	US\$ (millions)	Percent of total reported	US\$ (millions)	Percent of total reported
Canada	93.0	26.2%	107.8	16.6%
USA	52.2	14.7%	45.7	7.0%
Argentina	4.6	1.3%	34.7	5.3%
Australia	46.4	13.1%	87.2	13.4%
Brazil	31.0	8.7%	69.8	10.7%
Chile	19.1	5.4%	73.3	11.3%
Indonesia	5.7	1.6%	5.6	0.9%
Mexico	19.7	5.6%	14.1	2.2%
Papua New Guinea	1.0	0.3%	0.0	0.0%
Peru	11.6	3.3%	28.6	4.4%
South Africa	7.4	2.1%	15.3	2.4%
Ecuador	*	*	6.3	1.0%
Russia	*	*	3.4	0.5%
Other	62.8	17.7%	157.7	24.3%
TOTAL	354.5	100.0%	649.7	100.0%

*1999 data was not surveyed for these jurisdictions.

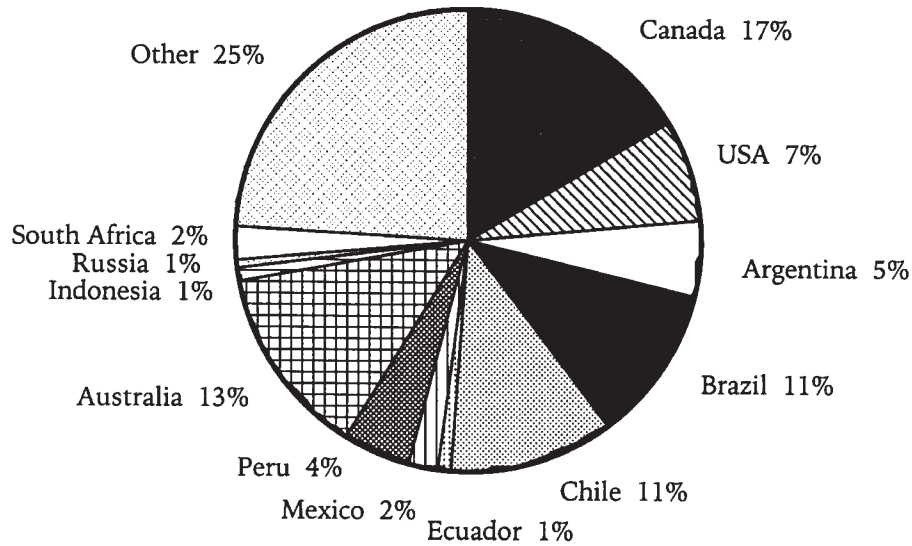
Table 9: Junior Mining Company Exploration Expenditures, 1999-2000

Jurisdiction	1999		2000	
	US\$ (millions)	Percent of total reported	US\$ (millions)	Percent of total reported
Canada	74.3	20.0%	54.2	40.9%
USA	56.7	15.3%	11.5	8.7%
Argentina	17.4	4.7%	1.2	0.9%
Australia	44.3	11.9%	4.5	3.4%
Brazil	66.2	17.8%	4.0	3.0%
Chile	10.7	2.9%	0.1	0.1%
Indonesia	3.7	1.0%	2.2	1.7%
Mexico	12.6	3.4%	7.6	5.7%
Papua New Guinea	5.8	1.6%	0.1	0.1%
Peru	8.7	2.3%	8.3	6.3%
South Africa	3.6	1.0%	2.1	1.6%
Ecuador	*	*	2.6	2.0%
Venezuela	*	*	1.0	0.8%
Philippines	*	*	3.7	2.8%
Russia	*	*	2.1	1.6%
Bolivia	*	*	2.1	1.6%
Other	67.4	18.1%	25.1	18.9%
Total	371.4	100.0%	132.5	100.0%

*1999 data was not surveyed for these jurisdictions.

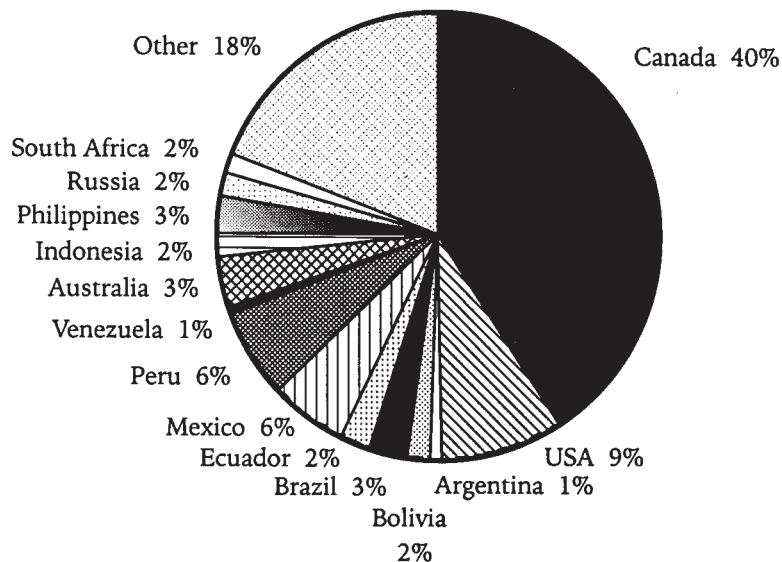
Junior companies responding to this survey represent US\$133 million. When comparing their exploration patterns to those reported last year, the biggest change is the proportion of their budgets spent in Canada. Last year, junior mining companies reported spending 20 percent of their exploration budgets in Canada. This year they report spending 40 percent of their budgets in Canada. Junior exploration spending in the US is down from 15 percent of their total spending last year to 9 percent of spending this year. Spending in Mexico increased from 3.4 percent of junior companies' exploration budgets reported last year, to 6 percent reported this year.

Figure 16: Senior Exploration Investment in 2000



Note: Countries representing less than 1% investment (Bolivia, Columbia, Venezuela, China, Ghana, Kahakhstan, Papua New Guinea, and Zimbabwe) were included in "Other" category.

Figure 17: Junior Exploration Investment in 2000



Note: Countries representing less than 1% investment (Chile, Columbia, China, Ghana, Kazakhstan, Papua New Guinea, and Zimbabwe) were included in "Other" category.

Appendix A: Comparing Canadian Jurisdictions Using Data— Preliminary Findings

This year, for the first time, in addition to the survey opinions presented in the first section of the report, this appendix has been added to include actual data with which to compare Canadian provinces and territories. Including data is a logical extension of the more subjective survey component of the report as these data may provide some insight into what is causing some regions to score well and others poorly on the opinion survey. We are grateful to the Prospectors and Developers Association of Canada (PDAC) for their suggestion to include this section with the survey results and develop an “objective index” to complement the opinion indexes in the first section of the report. The authors would also like to thank the PDAC for their comments on our proposed set of indicators and for their thoughtful suggestions about additional indicators.

Finding measurable indicators to compare with the subjective questions asked in the opinion section of the report was not easy. In some cases, data were unavailable. In other cases, available data were limited. For example, in the taxation category we considered the tax burden on a hypothetical mine. It would have been helpful had there been four or five hypothetical mines with different attributes to use for tax comparisons, but there was just one recent available example. In still other cases, such as regulatory delays, good measures continue to prove elusive. Finally, factors that survey respondents say are important, such as “the attitude of the regulators,” are virtually impossible to measure. The data presented in this section should, therefore, be seen as a complement rather than a substitute for the opinion data presented in the first part of the report. Over the next several years, we hope to expand this section of the report to include more jurisdictions and to improve it by adding more variables and additional categories. Your suggestions, which have been most helpful in improving other parts of the report, are welcome.

In order to identify policy differences between different Canadian jurisdictions, we looked at 19 variables in five different categories: taxation, labour, infrastructure, regulation, and land access. Available data in each category are described below. While recognizing that available data do not completely describe the important characteristics of operating in different jurisdictions, this section does provide a starting place for comparing policies in regions across Canada. In order better to assess how all of the policy factors taken together might affect investment decisions, an objective index comparing Canadian jurisdictions is presented at the end of this section (see Appendix A figure 1).

Taxation

The taxation category contains four variables. The first is the total taxes paid over the 13-year lifetime of a hypothetical gold mine. These numbers come from the 2001 PriceWaterhouseCoopers report, *Canadian Mining Taxation 2001 edition*. The tax burden includes federal taxes, provincial income and capital taxes, and provincial mining taxes. The second taxation indicator is the existence of capital taxes. All else being equal, those jurisdictions with capital taxes are considered less attractive

than those without capital taxes. The third taxation indicator is a word count on provincial mining tax acts and their supporting regulation. This provides some information on the complexity of the tax system. Jurisdictions with higher word counts are considered to have tax systems that are more onerous to comply with. The final variable is whether or not the royalty and taxation regimes are integrated with the federal system (although none currently are), since integration would simplify compliance.

We also considered including the type of royalty tax a jurisdiction uses to distinguish between jurisdictions that rely primarily on profit-based taxes—which are considered preferable—and those that rely on production-based taxes. However, since Canadian provinces and territories rely primarily on profit-based royalty taxes, the indicator was not included this year, although it may be included in future years if we compare Canadian jurisdictions with other countries. Another indicator that would have been valuable to include is the total mining taxes paid by companies operating in a province as a percent of total mining profits. Unfortunately, although data on mining profits and taxes are available for Canada from Statistics Canada, these data are not broken down by province.

	AB	BC	MB	NB	NF	NS	ON	QC	SK	NT	NU	YT
Tax burden on a hypothetical mine (%)	36.8	47.8	43.9	48.4	34.9	43.1	39.0	40.9	43.6	37.6	37.6	35.7
Capital tax	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no
Integration with federal tax system	no	no	no	no	no	no	no	no	no	no	no	no
Word count for mining taxation acts and regulations	13,284	27,577	19,132	12,411	16,164	3,031	20,584	24,314	33,270	6,421	6,421	3,626

Labour

The labour category contains two indicators: the extent of unionization of the labour force, and, to get a rough indicator of the proportion of mines that have experienced a strike or lockout in the past 10 years, the number of labour disputes that have occurred in the mining sector in the past decade (1991-2000). To adjust for the different size of the industry in different provinces, the number of labour disputes are divided by the number of mines that were operating in the region in 2000. The data for strikes and lockouts come from Human Resources Development Canada Workplace Information Directorate. The data for the percentage of the labour force that is unionized comes from Statistics Canada's *Labour Force Historical Review 2000*.

	AB	BC	MB	NB	NF	NS	ON	QC	SK	NT	NU	YT
Unionization	23.8%	35.8%	36.5%	29.4%	39.1%	30.2%	28.2%	39.9%	35.1%	17.1%	15.7%	13.8%
Proportion of mines experiencing labour disputes (1991-2000)	0%	35%	18%	50%	17%	10%	31%	14.6%	0%	100%		100%

Regulation

Eight indicators comprise the regulation category. The first indicator is a word count of the environmental acts and regulations that affect mining, including provincial and territorial Parks Acts, Wildlife Acts, Fish Protection Acts, Water Protection Acts, and Parks Acts. The second indicator is a word count of mining acts and regulations *other* than environmental acts, including acts governing exploration. We assume that higher word counts indicate more onerous policies. The maximum term granted for mineral claims and the initial term granted for mining leases form another indicator. Longer terms are more attractive. We also looked at the maximum area granted for a mineral claim, the maximum area granted for a mining lease, and the average minimum annual expenditure requirement in dollars per hectare over a 10 year exploration period. The final indicator is the way in which reclamation bonding requirements are administered. In some jurisdictions, the bonding requirements can be met over time while in others, the amount of the bond must be posted up-front. The assumption is that meeting the requirement over time is preferable.

We have not yet determined a satisfactory indicator for a critical regulation variable: delays in regulatory permits, which almost certainly played a role in the subjective evaluation of jurisdictions. Another important regulatory indicator, the attitude of the regulators, is virtually impossible to measure and therefore is not captured in these data.

	AB	BC	MB	NB	NF	NS	ON	QC	SK	NT	NU	YT
Word count on environmental acts and regulations that affect mining	150,668	120,489	N/A	106,009	43,470	49,766	160,090	141,624	208,066	183,241	156,004	245,516
Word count on mining acts and regulations other than environment or tax	61,832	92,182	78,320	36,665	52,574	37,102	82,755	47,790	32,416	31,223	31,223	47,316
Maximum term granted for mineral claim	10 years	1 year	2 years	1 year	5 years	1 year	1 year	2 years	2 years	2 years	2 years	1 year
Initial term granted for mining lease	15 years	30 years	21 years	20 years	25 years	20 years	21 years	20 years	10 years	21 years	21 years	21 years
Maximum area granted for mineral claim	9216 hectares	500 hectares	256 hectares	16 hectares	25 hectares	16.19 hectares	256 hectares	variable	6000 hectares	1045 hectares	1045 hectares	20.9 hectares
Maximum area for mining lease	2304 hectares	no maximum	800 hectares	variable/ no maximum	no maximum	1295 hectares	no maximum	100 hectares	6000 hectares	1045 hectares	1045 hectares	20.9 hectares
Annual expenditure obligation years (average over ten years in \$/ hectare)	\$5.5	\$6.8	\$11.25	15.63	28.11	12.35	22.50	18.75	10.80	4.45	n/a	4.78
Reclamation bond requirements		Depends on size of mining project	Cumulative	Up-front	Cumulative	Up-front	Cumulative	Cumulative	Up-front	Cumulative	Cumulative	Cumulative

Land Access

Three variables form the land access category. First, the index uses data from Indian and Northern Affairs Canada to determine the percentage of land claims that remain unsettled in each province. A better indicator might be the percentage of the land base that is covered by land claims. Unfortunately, this number is only available for British Columbia where, due to overlapping claims, over 100 percent of the land base is covered. The second variable is the percentage of the land base in a jurisdiction that is off limits to exploration because it is protected. The final variable, which helps assess uncertainty concerning new land to be set aside, looks at how much growth there has been in protected areas in the last year. Data on protected areas comes from Statistics Canada's Canadian Conservation Area Database.

	AB	BC	MB	NB	NF	NS	ON	QC	SK	NT	NU	YT
% native land claims that remain unsettled	47%	70%	39%	56%	n/a	30%	71%	51%	48%	44%	n/a	45%
% of land protected	15%	13.2%	12.9%	5.8%	4.5%	11.1%	9.3%	8.5%	10.3%	17.1%	15.7%	13.8%
Protected area growth	1.06%	0.68%	2.1%	0.12%	3.0%	4.6%	.04%	.01%	0.22%	1.7%	3.1%	1.8%

Infrastructure

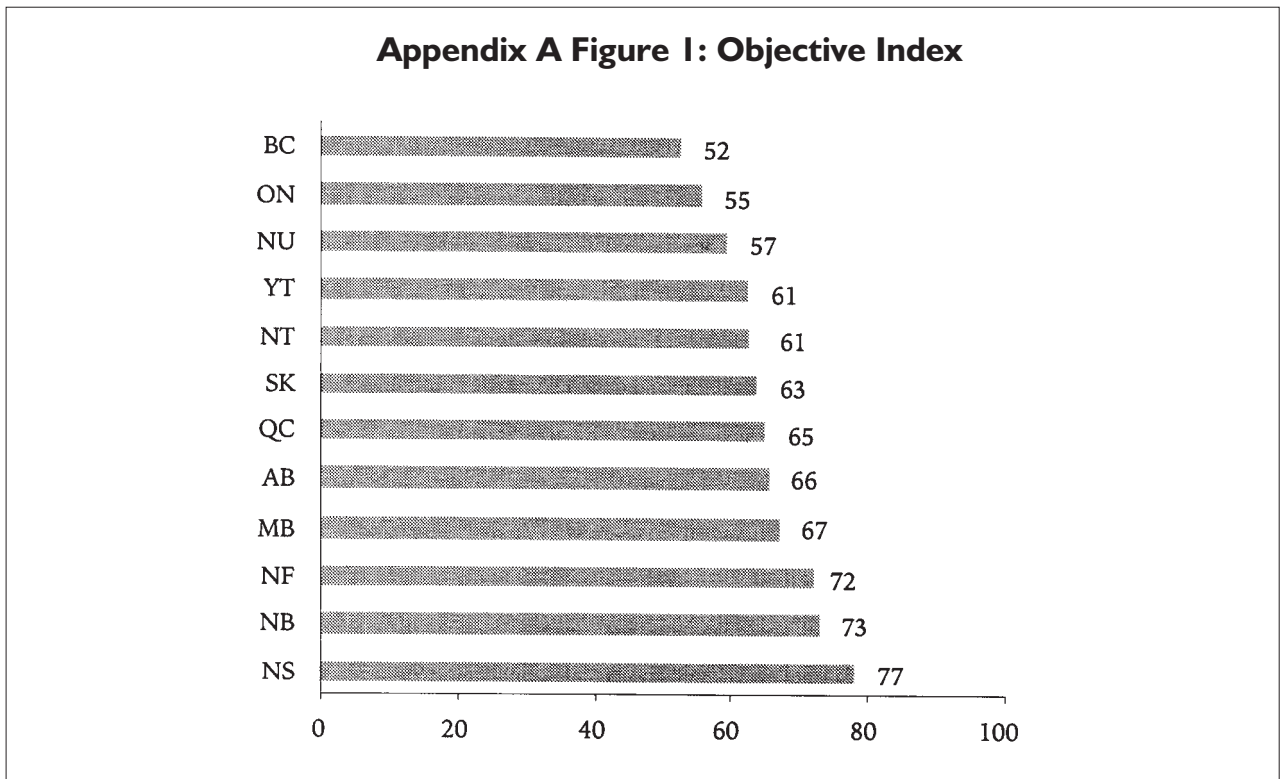
There are two indicators for the infrastructure category: road density and geoscience availability.

A number of other indicators could be added to this category in the future, including the availability of power and more information about geological data. Another possible indicator is how easily accessible geological data are; for example, how much information is available on-line?

	AB	BC	MB	NB	NF	NS	ON	QC	SK	NT	NU	YT
Road density road kms/km ²	.001075	.000556	.000549	.001593	.000311	.002325	.000466	.000349	.001210	.000020	.000020	.000172
Geoscience availability - % province, mapped at 1:50,000 scale	5%	15%	30%	90%	27%			65%	7%	15%	5%	

Index Results

An “objective index” comparing the policy attractiveness of Canadian jurisdictions was constructed using the available data described in this appendix. The results are shown on the graph below. Although there is a positive correlation between the survey results and the objective index results, the correlation is fairly weak. In some cases, such as British Columbia, the results are consistent with the opinion index in the first section of the report. In other cases, most noticeably Ontario, the results are inconsistent. There are many possible explanations for this. It could be that the data used to create the index do not adequately capture the concerns of exploration managers, or it could be that the opinions about operating in some jurisdictions differ from the reality of operating there. In future editions of this report, these questions will be investigated further. Improvements to the index might include adding additional categories and additional variables within categories. The results presented below should, therefore, be considered preliminary—a starting point for further discussion.



Appendix B: Survey Questions

Note: For the purposes of this survey, exploration investment includes both basic and advanced exploration. This includes all exploration expenditures (financing costs, option payments, finders fees, etc.) incurred in searching for and delineating mineral deposits on properties where no production is taking place.

1. What percentage of your annual exploration budget in 2000 was spent inside:

Canada _____	USA _____	Argentina _____
Bolivia _____	Brazil _____	Chile _____
Columbia _____	Ecuador _____	Mexico _____
Peru _____	Venezuela _____	Australia _____
China _____	Ghana _____	Indonesia _____
Kazakhstan _____	Papua New Guinea _____	
Philippines _____	Russia _____	South Africa _____
Zimbabwe _____	Other _____	

(total should add to 100%)

2. Has that percentage changed over the 5 years from 1995-2000? If so, please indicate whether the change was positive (+), negative (-) or remained the same (0).

Canada _____	USA _____	Argentina _____
Bolivia _____	Brazil _____	Chile _____
Columbia _____	Ecuador _____	Mexico _____
Peru _____	Venezuela _____	Australia _____
China _____	Ghana _____	Indonesia _____
Kazakhstan _____	Papua New Guinea _____	
Philippines _____	Russia _____	South Africa _____
Zimbabwe _____	Other _____	

3. Has your total (worldwide) exploration expenditure increased, decreased, or remained the same over the five years from 1995-2000?

Increased _____ Decreased _____ Remained the Same _____

INVESTMENT FACTORS

The following pages list factors such as mineral potential, taxation, and regulations that influence investment decisions. Please use the scale provided to rate each jurisdiction with respect to the factor listed in bold at the top of each page. *You need only rate those regions with which you are familiar.* If you are unfamiliar with a jurisdiction, leave the question blank or circle "6" the "Do not know" option.

I. Please circle the appropriate rating, according to the scale below, for the following regions' **TAXATION REGIME** (including personal, corporate, payroll, capital taxes and the complexity associated with tax compliance).*

Scale

- 1 = Encourages exploration investment
- 2 = Not a deterrent to exploration investment
- 3 = Mild deterrent to exploration investment
- 4 = Strong deterrent to exploration investment
- 5 = Would not pursue exploration in this region due to this factor
- 6 = Do not know

CANADA

Alberta	1	2	3	4	5	6
British Columbia	1	2	3	4	5	6
Manitoba	1	2	3	4	5	6
New Brunswick	1	2	3	4	5	6
Newfoundland	1	2	3	4	5	6
Northwest Territories	1	2	3	4	5	6
Nova Scotia	1	2	3	4	5	6
Nunavut	1	2	3	4	5	6
Ontario	1	2	3	4	5	6
Quebec	1	2	3	4	5	6
Saskatchewan	1	2	3	4	5	6
Yukon	1	2	3	4	5	6

UNITED STATES

Alaska	1	2	3	4	5	6
Arizona	1	2	3	4	5	6
California	1	2	3	4	5	6
Colorado	1	2	3	4	5	6
Idaho	1	2	3	4	5	6
Minnesota	1	2	3	4	5	6
Montana	1	2	3	4	5	6
Nevada	1	2	3	4	5	6
New Mexico	1	2	3	4	5	6
South Dakota	1	2	3	4	5	6
Utah	1	2	3	4	5	6
Washington	1	2	3	4	5	6
Wisconsin	1	2	3	4	5	6
Wyoming	1	2	3	4	5	6

OTHER COUNTRIES

Australia	1	2	3	4	5	6
China	1	2	3	4	5	6
Ghana	1	2	3	4	5	6
Indonesia	1	2	3	4	5	6
Kazakhstan	1	2	3	4	5	6
Papua New Guinea	1	2	3	4	5	6
Philippines	1	2	3	4	5	6
Russia	1	2	3	4	5	6
South Africa	1	2	3	4	5	6
Zimbabwe	1	2	3	4	5	6

**Repeated for all other factors.*

INVESTMENT CLIMATE

1. How would you weight the importance of mineral potential versus policy factors when considering a new exploration project (assuming some basic mineral potential exists)?

Mineral _____% Policy _____% (total 100%)

2. When considering a new exploration project, which policy factor is the most/least important to you? (Select ONE factor in each column.)

	MOST IMPORTANT	LEAST IMPORTANT
Taxation		
Administration/Interpretation of Existing Regulations		
Environmental Regulations		
Regulatory Duplication		
Native Land Claims Uncertainty		
Protected Areas Uncertainty		
Infrastructure		
Labour Regulation/Employment Agreements		
Political Stability		
Socio-economic Agreements		

3. What country or jurisdiction do you think has the most favourable policies towards mining?

Why? _____

4. What country or jurisdiction do you think has the least favourable policies towards mining?

Why? _____

If there could be one policy change in this jurisdiction, what should it be? _____

5. If you have an example of either a regulatory “horror story” related to operating in a particular jurisdiction or an example of what you would consider an exemplary policy climate, please describe in the space below. _____

BACKGROUND INFORMATION

What was the value of your 2000 annual exploration expenditures* (please specify \$US or \$Canadian) within:

Canada _____	USA _____	Argentina _____
Bolivia _____	Brazil _____	Chile _____
Columbia _____	Ecuador _____	Mexico _____
Peru _____	Venezuela _____	Australia _____
China _____	Ghana _____	Indonesia _____
Kazakhstan _____	Papua New Guinea _____	
Philippines _____	Russia _____	South Africa _____
Zimbabwe _____	Other _____	

Total spent outside the above jurisdictions _____

***Please note that individual surveys are strictly confidential. The information from this question is used to determine the total exploration budgets of all of the companies participating in the survey. If you are uncomfortable giving a specific amount, please give a range.**

2. Are you a Junior or Senior Mining Company?

Junior _____ Senior _____

3. What is your position with the company? _____

4. What commodity is currently assigned the greatest percentage of your exploration budget?

5. Which jurisdictions, if any, would you like to see us add to the survey next year?

Comments: _____

Thank you for taking the time to complete this survey. Please return the completed survey in the envelope provided or fax it to (604) 688-8539. If you wish to receive a copy of the survey results, please fill in the response card or attach a business card. Individual surveys are strictly confidential. Response cards will be entered into a draw for a chance to win Cdn\$1,000!

The Fraser Institute's Annual Survey of Mining Companies

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Yes, my opinion counts! Please include me in next year's survey.

Send completed forms to:

The Director of Studies in Risk & Regulation, The Fraser Institute, 4th Floor, 1770 Burrard St., Vancouver, BC, Canada V6J 3G7, or fax: (604) 688-8539

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