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Mining Advocacy Network

## Fraser Survey says Quebec terrific for mining, steer clear of California

The Fraser Institute's annual survey finds miners and explorers still love Quebec, are less enamored with Nevada, and still believe Mongolia is a nightmare

*Dorothy Kosich*

For the third straight year mining industry executives rate Quebec as the most attractive jurisdiction for mineral exploration and development, while perennial favorite Nevada is slowly losing some of its luster as a mining haven.

The Fraser Institute made public its annual survey of mining companies Thursday, representing the opinions of 670 mining executives and managers internationally on the policy and mineral riches of 72 jurisdictions on all continents except Antarctica.

Companies participating in the survey reported exploration spending of US\$2.9 billion in 2009 and \$3.6 billion in 2008.

Survey coordinator Fred McMahon, Fraser Institute vice president of international policy research, noted, "As economic recovery takes hold, we're seeing greater optimism from the mining industry in terms of new explorations and long-term projects."

"Last year's survey showed significant pessimism towards new mining investment, but this year's survey reveals a strong rebound in optimism," the Fraser Institute noted. Almost twice as many mining companies (333) said they will increase explore budgets.

"Miners also expect mineral prices will increase over the next two years: 64 percent expect mineral prices will rise moderately, while nearly 20% expect substantial increases," the survey said. Twenty percent or more expect peak prices for copper and gold, while 10% expect new peaks for silver, nickel, platinum, zinc and coal.

### WE'LL TAKE QUEBEC, BUT NOT THE DRC

"Mining executives say Quebec remains an international standout for investment because its stable government policies offer them the certainty that reduces risk for long-term projects," McMahon said.

While mining executives love to do business in Quebec, they have a far less rosy view of Ontario and British Columbia, two provinces with a lengthy history of

mining, which fell significantly in this year's survey. Ontario dropped from its 10th place finish last year to 22nd, while British Columbia's rating plunged 14 places from 24th in 2008 to 38th in 2009.

New Brunswick is ranked second overall, moving up four places, while Alberta remained in fourth place. Saskatchewan rose three spots to six, while Newfoundland and Labrador dropped from fifth last year to eighth this year.

Finland ranked third overall with Nevada at number five; Chile, the only Latin American nation ranked among the top 10, at number seven; and South Australia, the highest-ranked Australian jurisdiction at number 10.

Botswana is the highest ranked African nation in the survey at 21st, followed by Mali and Ghana in the 27th and 34th spots, respectively. The worst African nations in which to conduct mining are Zimbabwe and the Democratic Republic of the Congo, both bottoming out among the 10 worst jurisdictions.

Among Australian states, South Australia is followed by the Northern Territory in 14th, Western Australia in 19th and New South Wales in 20th.

While Nevada leads the favorable U.S. mining states, Wyoming ranked 13th, Utah 15th, and Alaska 18th. Interestingly, the Golden State isn't very golden any more when it comes to mining. California dwells in the cellar as a least favorable jurisdiction along with Venezuela, Ecuador, the Philippines, Mongolia, Bolivia, Honduras and Guatemala.

"Respondents say California's staunchly environmentalist polices create a strong deterrent to investment by interfering with mining practices that are proven to be clean and responsible," McMahon observed. "Unfortunately, the rest of the worst-ranked jurisdictions are developing nations that urgently need the new jobs and economic prosperity mining can create."

**DAMN THOSE CALIFORNIA ECO-HIPPIES!**

In the comments submitted with the survey, trade associations, mining executives, explorationists and others expressed why they would or would never do business in certain nations again.

--"In Nevada, it is all here!! No terrorists, no disease, no bribery, lots of undiscovered deposits, infrastructure is all here, the laws are stable-what else is there?" -Exploration company consultant

--"In Quebec, government departments talk to each other. The provincial government wants development and simply makes it happen." -Exploration company, Manager

- "Botswana lacks red and green tape."-Exploration company, President
- "California is full of eco-hippies who do not understand that their lifestyle is dependent upon mining-Exploration Company, Managing Director
- "In the Democratic Republic of the Congo, everything is wrong. Government consists of corrupted crooks."-A producer company with more than US\$50M revenue, Manager
- "Mongolia suffers from endless tinkering with mining laws and regulations, resource-nationalism, creeping expropriation, non-transparency."-Trade association, President
- "In Venezuela, if you actually succeed in making progress with a project, Hugo Chavez will simply nationalize it. -Consulting company, Consultant
- "Make sure the Ontario Minister of Mines gets a copy of your survey as it will likely be very damning for Ontario and maybe they will think twice about changing the Mining Act."-Consulting company, Consultant
- "Manitoba aggressively pursues exploration companies to invest in the province and backs it up with good taxation incentives and environmental /land use policies."-A producer company with more than US\$50M revenue, Manager
- "Victoria has an extremely poor mines department."-A producer company with more than US\$50M revenue, President
- "The best increase in potential is in Columbia."-Mineral exploration research institute, Manager
- "Mexico is politically stable and has reasonable laws and regulations, a strong history of mining, an experienced work force, and an acceptable tax load." A producer company with more than US\$50M revenue, Vice President
- "Populist politicians in Tanzania like to blame foreign miners for all the country's ills when the real problem lies elsewhere."-A producer company with more than US\$50M revenue, Manager
- "The black empowerment regime in South Africa is very confusing and restrictive."-Exploration company, Manager
- "China has unclear regulations: Too subjective-Mining finance company, President
- "USA seems to want to protect its borders to a degree that it is discouraging

investment in their country especially from Canada. "-Exploration company,  
President

To read the survey, go to [www.fraserinstitute.org](http://www.fraserinstitute.org).