

# Québec

## *the Best Place in the World for Mineral Exploration*

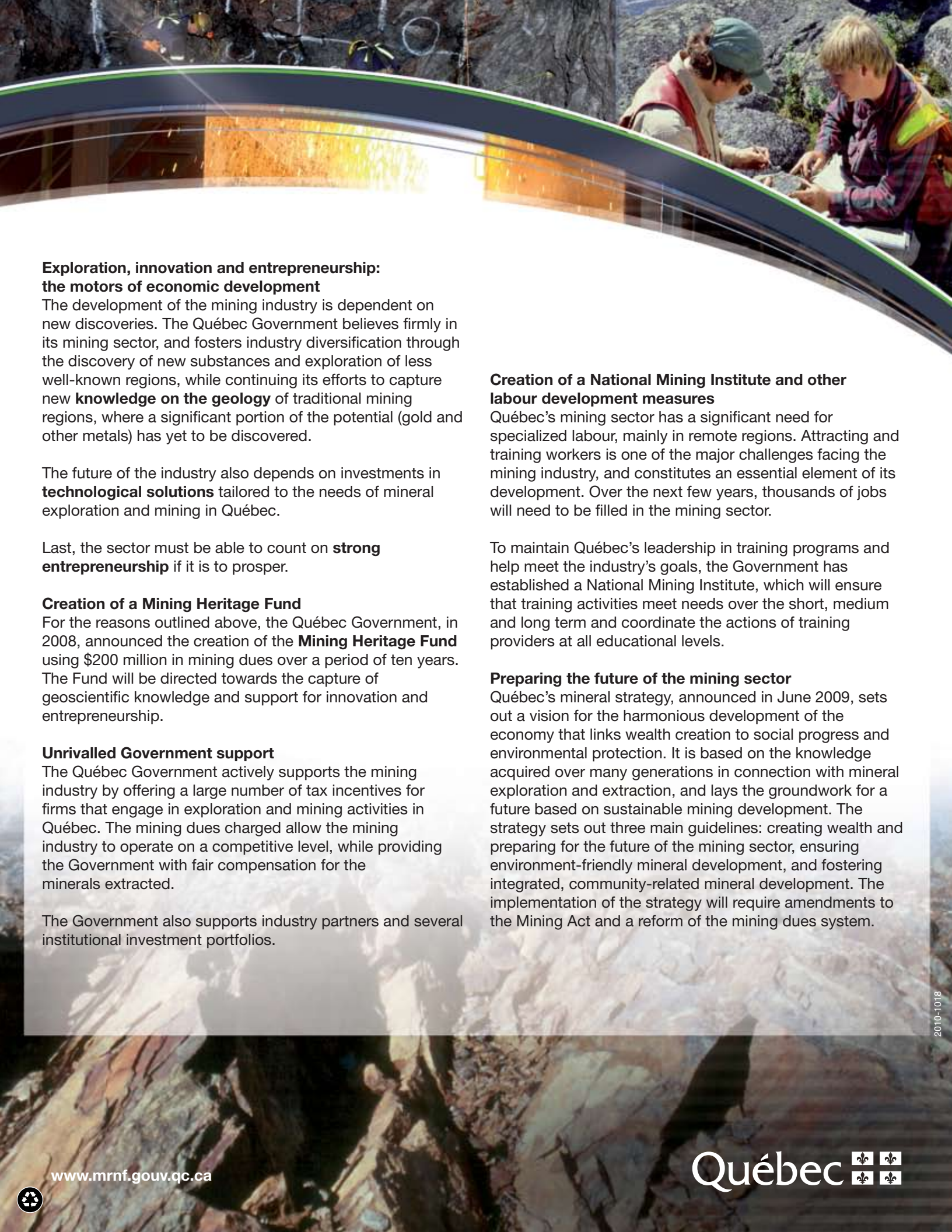
Québec is in the middle of a mining boom! From \$103 million in 2003, expenditure on mineral exploration jumped to an all-time high of \$435 million in 2008. The worldwide financial crisis that began in 2008 had a negative impact, with expenditure dropping to \$201 million in 2009 according to the preliminary data, but it is expected to increase again in 2010 to an estimated \$285 million.

In 2009, for the third consecutive year, Québec earned international recognition for the excellence of its mining sector, when Vancouver's Fraser Institute ranked the province first in the world for its favourable mining environment, based mainly on its mining policies and mineral potential.

The mining industry, including the primary mineral processing sector, makes a significant contribution to Québec's economy and international profile, accounting for 15,000 direct and 20,000 indirect jobs in all administrative regions of Québec.

With 27 mines in operation in July 2010, Québec is a major producer of iron, zinc, nickel, silver and gold, and also of copper and of industrial minerals such as chrysotile, ilmenite, mica and salt. Likely additions to the list in the near future will include diamonds, lithium and uranium, based on the results of current exploration work. Québec is also a major producer of industrial stone (slate and limestone), architectural stone (granite and marble), and peat, and a potential source of rare earth minerals.

Québec's strength lies not only in its raw materials, but also in the excellence of its labour pool, training institutions and specialist research centres. In addition, it is a world leader in the capture of geoscientific data.



### **Exploration, innovation and entrepreneurship: the motors of economic development**

The development of the mining industry is dependent on new discoveries. The Québec Government believes firmly in its mining sector, and fosters industry diversification through the discovery of new substances and exploration of less well-known regions, while continuing its efforts to capture new **knowledge on the geology** of traditional mining regions, where a significant portion of the potential (gold and other metals) has yet to be discovered.

The future of the industry also depends on investments in **technological solutions** tailored to the needs of mineral exploration and mining in Québec.

Last, the sector must be able to count on **strong entrepreneurship** if it is to prosper.

### **Creation of a Mining Heritage Fund**

For the reasons outlined above, the Québec Government, in 2008, announced the creation of the **Mining Heritage Fund** using \$200 million in mining dues over a period of ten years. The Fund will be directed towards the capture of geoscientific knowledge and support for innovation and entrepreneurship.

### **Unrivalled Government support**

The Québec Government actively supports the mining industry by offering a large number of tax incentives for firms that engage in exploration and mining activities in Québec. The mining dues charged allow the mining industry to operate on a competitive level, while providing the Government with fair compensation for the minerals extracted.

The Government also supports industry partners and several institutional investment portfolios.

### **Creation of a National Mining Institute and other labour development measures**

Québec's mining sector has a significant need for specialized labour, mainly in remote regions. Attracting and training workers is one of the major challenges facing the mining industry, and constitutes an essential element of its development. Over the next few years, thousands of jobs will need to be filled in the mining sector.

To maintain Québec's leadership in training programs and help meet the industry's goals, the Government has established a National Mining Institute, which will ensure that training activities meet needs over the short, medium and long term and coordinate the actions of training providers at all educational levels.

### **Preparing the future of the mining sector**

Québec's mineral strategy, announced in June 2009, sets out a vision for the harmonious development of the economy that links wealth creation to social progress and environmental protection. It is based on the knowledge acquired over many generations in connection with mineral exploration and extraction, and lays the groundwork for a future based on sustainable mining development. The strategy sets out three main guidelines: creating wealth and preparing for the future of the mining sector, ensuring environment-friendly mineral development, and fostering integrated, community-related mineral development. The implementation of the strategy will require amendments to the Mining Act and a reform of the mining dues system.