



BDO

**INNOVATIVE THINKING
AND INSIGHT**



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With more than 100 offices from Vancouver to St. John's, BDO is one of the leading accounting and advisory firms in Canada, and an invaluable service provider to the countless mining companies that call the country home

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It was almost 350 years ago that the seeds of Canada's mining sector were sown with the discovery of coal on Cape Breton Island, Nova Scotia. Three and a half centuries on and there are more than 800 mines across the country providing direct employment for more than 363,000 workers.

Today Canada ranks first in the world for the production of potash and uranium, and among the top five for the production of nickel and diamonds, with its mining industry contributing approximately five percent of its gross domestic product.

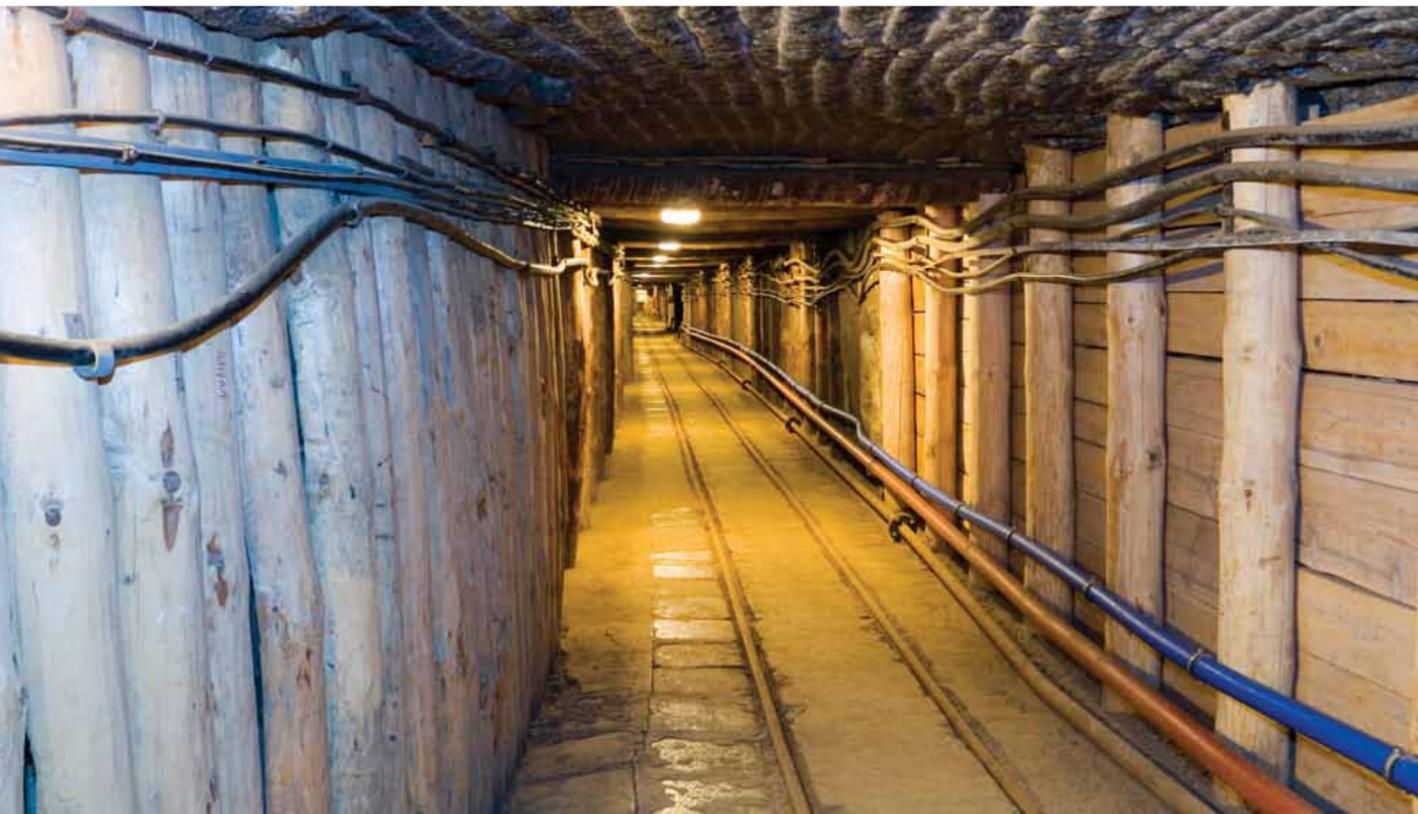
Present in Canada for more than 90 years, BDO has been a witness to much of the mining sector's development during that time period, in the process becoming one of the country's leading accounting and advisory firms in its own right. A member firm of the international BDO network, which boasts over 1,000 offices in 135 countries, the company has worked with thousands of clients in exploration, production and service companies, developing its services to address key industry issues such as audit and assurance, domestic and international taxation, risk management, business valuations, technology solutions and transaction services.

"Recent years have certainly seen the firm focusing on industry expertise when it comes to our service offering," states National Energy and Natural Resources Leader, Michael Madsen. "Historically the bulk of our work has been audit or tax related, however much of our growth is now stemming from speciality service areas such as valuations, risk advisory, transaction services and IT solutions, which are tied directly to the mining sector."

Historical services they may be, but audit and tax related offerings remain an all-important speciality of BDO. “From an audit perspective,” explains Energy and Natural Resource Partner, Tammy Thompson, “our clients understand the benefits that come from our extensive understanding of the industry here in Canada. This experience helps us in identifying key issues and helping businesses of all sizes, from juniors to larger producers, navigate through them.”

As Madsen goes on to highlight, the firm has worked hard in recent times to emphasise the need for clients to demand more from their audits in times of economic uncertainty than they may have done so in the past. “What these clients should be demanding today is a service that provides input and advice of how to control costs, how they can better access global markets and how to do business in these unfamiliar environments. I think that is where we have been able to deliver a cohesive strategy around

“GOING FORWARD BDO PLANS TO STAY IN TUNE AND EVOLVE WITH CANADA’S MINING SECTOR AS WELL AS THE PLAYERS OPERATING WITHIN IT”



what we offer to companies in the middle market that they maybe haven’t been able to access in a cost efficient manner before now.”

Prior to the economic crisis, at a time when metal prices reached record highs and rapid growth was a priority of virtually every major mining player in the market, Canada’s mining industry was experiencing the same flurry of activity as most of the other leading regions in the world were seeing at the time. This unfortunately meant that the country was not immune to the subsequent effects of the global downturn which resulted in metal prices softening, investor confidence worsening and activity decreasing at pace. What this created was a

90+
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Years that BDO has been present within Canada

situation where the country is playing host to somewhat of a waiting game where there are those who possess assets but no capital, and others with capital who are looking for good, long-term prospects.

“Despite the changes that have occurred in recent years,

the significance of Canadian involvement on the world mining scene should by no means be downplayed,” Madsen continues, “what with the country remaining home to a rich resource based economy and two of the world’s strongest mining exchanges in the form of the TSX and TSX Venture exchanges.”

One of the major areas expected to be the focus of future Canadian mining investment will be the Northern Ontario Ring of Fire, the



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name given to the massive planned chromite mining and smelting project in the James Bay Lowlands which has been described as one of the most promising mineral development opportunities in Ontario in more than a century.

“Attempts have been made to develop this area for some time now,” Thompson says.

“On-going efforts of the Ontario Ministry of Northern Development and Mining will continue to position Ontario for future success and to highlight the long-term importance of the Ring of Fire. Meanwhile, BDO already has offices based in the northern areas meaning we are well positioned to help in creating the jobs

and infrastructure that the region will require. This presence has also allowed us to forge excellent relationships with local communities which we expect to serve us well in the future.”

“While the Ring of Fire represents a massive area of untapped potential, with that comes a host of challenges,” says Business Development Manager, Carlos Lobo. “Fortunately these are challenges that can be overcome with the use of new technologies and Canada is very much at the forefront of innovation.”

Becoming one of Canada’s most important service providers has been neither a quick or simple journey therefore it goes without saying that, in order for the firm to retain its standing

with the country, going forward BDO plans to stay in tune and evolve with Canada’s mining sector as well as the players operating within it. “In order to achieve this,” Madsen concludes, “we see ourselves not only continuing to offer the types of service that got us to where we are today, but continuing to strengthen our delivery of non-audit type services as we expand our suite of speciality service offerings to all sizes of mining companies.” **BE**

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