



## Growth, Enterprise and Trade

Financial & Administrative Services  
Suite 900 - 259 Portage Avenue  
Winnipeg, MB R3B 3P4

July 5, 2016

Applicant Name  
Applicant Address

Dear Applicant:

**Re: Your request for access to information under Part 2 of *The Freedom of Information and Protection of Privacy Act (FIPPA)* - Our File Number G2016-020**

On May 6, 2016, the Department of Growth, Enterprise and Trade received your request for access to the following records:

*"All materials provide to the current Minister of Growth, Enterprise and Trade since the most recent provincial election, including but not limited to: advisory and briefing notes, house books and house preparation materials related to the transition of government."*

On May 18, 2016, after a discussion with Mike Baudic, Director of Information and Privacy Policy Secretariat, your request was amended to the following:

*"The transition binder prepared by the department and provided to a new Minister upon appointment that describes the department structure, responsibilities, priorities and critical issues, as well as any advisory notes, briefing notes or other material provided to the minister by the date of the access request."*

On June 3, 2016, Mike Baudic advised you that an extension of time was necessary because a large number of records must be searched to respond to your request and responding within the 30 day time period would interfere unreasonably with the operations of our department. As well, time is needed to consult with a third party or another public body before deciding whether or not to grant access to a record. This extension of time is permitted by clause 15(1)(b)(c) of *The Freedom of Information and Protection of Privacy Act*.

I am pleased to inform you that your request for access has been granted in part. Access to the remaining records fall within the following exceptions under *The Freedom of Information and Protection of Privacy Act*.

In the interest of the Manitoba Government's commitment to openness and transparency, this response letter along with the responsive records will be made available on our proactive disclosure website. Any personal or other confidential information belonging to you or a third party will be removed prior to disclosure.

.../2

***Disclosure harmful to a third party's business interests***

18(1) The head of a public body shall refuse to disclose to an applicant information that would reveal

- (b) commercial, financial, labour relations, scientific or technical information supplied to the public body by a third party, explicitly or implicitly, on a confidential basis and treated consistently as confidential information by the third party; or
- (c) commercial, financial, labour relations, scientific or technical information the disclosure of which could reasonably be expected to;
  - (i) harm the competitive position of a third party,
  - (ii) interfere with contractual or other negotiations of a third party,
  - (iii) result in significant financial loss or gain to a third party,

In the case of subsection (b) the information is consistently treated confidential by the third party and provided to us implicitly in confidence. As such, the provisions of subsection (b) are met and the mandatory exception to disclosure applies. In the case of subsection (c)(i) competitors could use the information and accordingly in all the cases would harm the competitive position of the third party.

In each case we considered whether the information also fell within an exception to the exception of disclosure (meaning the information would be disclosable) under any other subsection of s 18. We concluded, in each case, they did not.

***Cabinet Confidences***

S19(1) The head of a public body shall refuse to disclose to an applicant information that would reveal the substance of deliberations of Cabinet, including

- (a) an agenda, minute or other record of the deliberations or decisions of Cabinet;
- (b) discussion papers, policy analyses, proposals, advice or similar briefing material submitted or prepared for submission to Cabinet;
- (c) a proposal or recommendation prepared for, or reviewed and approved by, a minister for submission to Cabinet.
- (e) a record prepared to brief a minister about a matter that is before, or is proposed to be brought before, Cabinet or that is the subject of communications among ministers relating directly to government decisions or the formulation of government policy.

Proposals of this nature must be approved by Cabinet or a committee of Cabinet. Therefore any associated memos, discussion papers, and correspondence must be treated as material related to this matter, which is proposed to be brought before Cabinet or a subcommittee of Cabinet.

***Disclosure harmful to relations between Manitoba and other governments***

S21(1) The head of a public body may refuse to disclose information to an applicant if disclosure could reasonably be expected to harm relations between the Government of Manitoba or a government agency and any of the following agencies:

- (a) the Government of Canada;
- (b) the government of another province or territory of Canada;
- (c.1) the council of a band as defined in the *Indian Act* (Canada), or an organization performing government functions on behalf of one or more bands;

Some of the information contained in the records you requested contain discussions among officers of the Government of Manitoba and other governments and those discussions have been held in strict confidence. Disclosure of those records could harm both current and future relations between the Province of Manitoba and other governments.

***Advice to a public body***

S23(1) The head of a public body may refuse to disclose information to an applicant if disclosure could reasonably be expected to reveal

- (a) advice, opinions, proposals, recommendations, analyses or policy options developed by or for the public body or a minister;
- (c) positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the Government of Manitoba or the public body, or considerations that relate to those negotiations;
- (f) information, including the proposed plans, policies or projects of a public body, the disclosure of which could reasonably be expected to result in disclosure of a pending policy or budgetary decision.

Section 23(1) protects the free flow of discussions and deliberations of staff in the Department including the providing of advice, opinions, analysis and recommendations.

***Solicitor-client privilege***

S27(1) The head of a public body may refuse to disclose to an applicant

- (a) information that is subject to solicitor-client privilege;
- (b) information prepared by or for an agent or lawyer of the Minister of Justice and Attorney-General or the public body in relation to a matter involving the provision of legal advice or legal services or in relation to the investigation or prosecution of an offence; or

Certain records consist of communications between departmental staff and legal counsel where advice is being requested and given in relation to the matters falling within the scope of the access request. The department as client, is not prepared in relation to these very sensitive matters, to waive solicitor/client privilege.

***Disclosure harmful to economic and other interests of a public body***

S28(1) The head of a public body may refuse to disclose information to an applicant if disclosure could reasonably be expected to harm the economic or financial interests or negotiating position of a public body or the Government of Manitoba, including the following information:

- (c) information the disclosure of which could reasonably be expected to
  - (i) result in financial loss to,
  - (ii) prejudice the competitive position of, or
  - (iii) interfere with or prejudice contractual or other negotiations of, a public body of the Government of Manitoba

Related material are, in and of themselves, sensitive financial information, the disclosure of which would reasonably be expected to harm the competitive and negotiating position of the Government of Manitoba. In addition, the records contain information that could cause harm to Manitoba as it negotiates with other third parties on future services.

Subsection 59(1) of *The Freedom of Information and Protection of Privacy Act* provides that you may make a complaint to the Manitoba Ombudsman about this decision. You have 60 days from the receipt of this letter to make a complaint on the prescribed form to:

Manitoba Ombudsman  
750 – 500 Portage Avenue  
Winnipeg MB R3C 3X1  
204-982-9130  
1-800-665-0531

If you have any questions, please do not hesitate to contact either Jo-Anne Lodon (Access Co-ordinator) at 204-945-4823 or myself at 204-945-3675.

Yours truly,

  
Melissa Ballantyne  
Access Officer

Attachment

cc: James Wilson  
bcc: Michael Juce

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## **Proposed Briefing Schedule**

The order of briefings will take place by order of priority of those issues identified in the Executive briefing note. All other briefings will be in order of priority by urgent items identified in the Ministerial briefings.

### ***Organization***

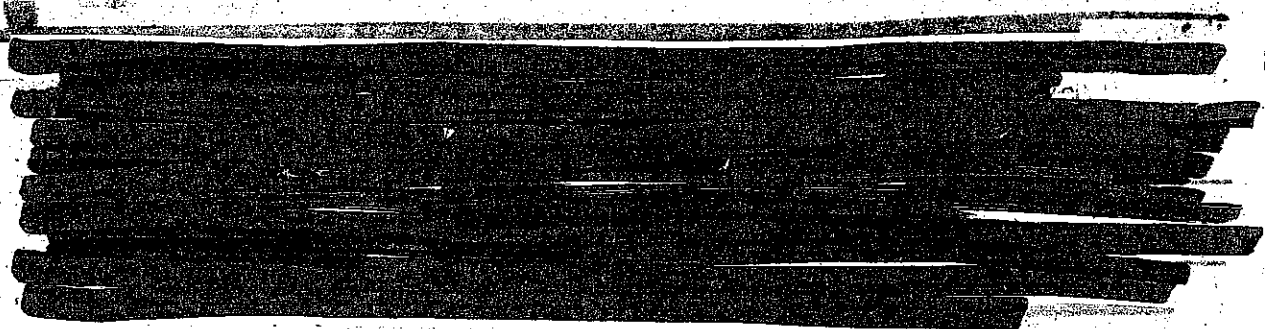
#### ***1. Department responsibilities***

- A. The Administration and Finance Division
- B. The Business Services Division
- C. The Workforce Development and Income Support Division
- D. International Relations and Trade Division

## 2. Organizational structure

THE ADMINISTRATION AND FINANCE DIVISION provides central financial, administrative and computer support services to the Departments of Jobs and the Economy, Labour and Immigration and Mineral Resources; provides analytical, advisory and coordination support services to the department and related agencies in the areas of trade, economic development issues and departmental planning; monitors and reports on the activities and policies of the federal government; provides statistical and labour force information to the department and other agencies of government.

THE BUSINESS SERVICES DIVISION provides or facilitates businesses' access to capital; promotes investment; coordinates and delivers a range of services for the enhancement and growth of Manitoba's entrepreneurial and small business community and promotes economic development. The Division supports the coordinated development and growth of knowledge-based industries and leading-edge research activities in Manitoba.



outside  
of  
scope

INTERNATIONAL RELATIONS AND TRADE DIVISION supports businesses and organizations in marketing Manitoba to become export capable while supporting and promoting investment opportunities domestically and abroad. The division also supports Manitoba's relationships with international governments, their representatives and diplomats and advances Manitoba's interests internationally, including involvement in international development.

### **Key Personnel**

#### **Craig Halwachs, Assistant Deputy Minister (Corporate Services)**

Craig is currently the Assistant Deputy Minister, Corporate Services for the departments of Jobs and the Economy, Labour and Immigration, Mineral Resources, and Municipal Government. In addition to his responsibilities as Assistant Deputy Minister, he is the Chief Operating Officer of Entrepreneurship Manitoba and the Assistant Deputy Minister responsible for the Taxi Cab Board.

Craig began his career in the Provincial Government of Manitoba with the Department of Finance in October 1977. Since that time, he has worked in a number of departments in financial and administrative roles, including acting as the Executive Director of Financial and Administrative for Mineral Resources, Energy and Economic Development portfolios in a series of progressively responsible assignments. In addition he has acted as Assistant Deputy Minister for Mineral Resources.

He has developed and implemented a Shared Services Unit providing financial and administrative services to several departments and has co-chaired a Revenue Design team responsible for developing a streamlined and standardized revenue process for the Province of Manitoba.

Craig has a Certified Management Accountant (3<sup>rd</sup> level) designation and completed the Red River Business Accounting Program.

[REDACTED]

outside of scope

**Alan Barber, Director (Policy, Planning and Coordination)**

Alan Barber has been employed by the Department since 1985 and has served as Director of the Policy, Planning and Coordination Branch for over 20 years. Mr. Barber



has degrees in Economics from the University of Manitoba and the University of British Columbia.

As Director of the Branch, one of the key roles for Mr. Barber is overall responsibility for developing the Manitoba Government's negotiating positions on international and interprovincial trade negotiations and disputes. Most recently, Mr. Barber was Manitoba's Chief Negotiator for Manitoba in the negotiations with the European Union toward the Comprehensive Economic and Trade Agreement – or CETA and serves as Manitoba's Chief Negotiator in the negotiations on the renewal of the Agreement on Internal Trade.

**Don Callis, Executive Director (Manitoba Trade and Investment)**

Don Callis is the Executive Director of Manitoba Trade and Investment, the lead provincial agency for international business development. Manitoba Trade and Investment worked with over 500 Manitoba companies last year, can provide service in 17 languages and had an economic impact estimated at \$75 million.

After spending over five years working in the U.S., Don completed an MBA at the Asper School of Business in 2003. Don began his career in government in 2004 as the Manager of Marketing for the department of economic development. In 2010 he assumed his current position as Executive Director of Manitoba Trade and Investment.

During his tenure at Manitoba Trade and Investment Don has led the organization to increase exports to multiple international markets, open a new Manitoba Trade office in Brandon and to become the only trade agency in Canada to conduct independent third party client surveys.

Don has forged close working relationships with many stakeholders including the Business Council of Manitoba, the Canadian Manufacturers and Exporters, Economic Development Winnipeg and Chambers of Commerce from across the province and many other stakeholders and has led many Manitoba missions to strategic markets of opportunity to Manitoba companies.

Don holds an MBA and a Bachelor of Arts in Political Studies and has completed executive education training at Queens University. Don also teaches an international business course at the Asper School of Business at the University of Manitoba.

**Doug McCartney, Senior Executive Director (Science, Innovation and Business Development)**

This document is a Cabinet confidence as defined in subsection 19(1) of The Freedom of Information and Protection of Privacy Act

Doug provides executive level leadership and strategic direction to senior government officials and community leaders on innovation, research and technology policies and initiatives. He is often the go-to person in the province for advice on building and strengthening Manitoba's knowledge based economy. Complemented by his ease with communication, Doug is a sought after resource for speeches and presentations on entrepreneurship and the importance of the knowledge economy in advancing a region's social and economic prosperity.

Doug was instrumental in the development of Manitoba's recently released innovation strategy and is now responsible for the rollout of the province's innovation priorities.

Prior to joining government, Doug was a medical researcher in the area of neurobiochemistry, with particular emphasis on Alzheimer's disease and Multiple Sclerosis. He is the co-author of twenty-three scientific research papers and two book chapters. Doug McCartney is a graduate of the University of Winnipeg, University of Manitoba, University of Saskatchewan and Red River College.

**Jeff Hodge, Acting Assistant Director (Financial Services)**

Jeff started with the Province in 1997 as an economic development analyst at the Treasury Board Secretariat. Since 2001 Jeff has been with the Financial Services Branch. Jeff has experience with the Manitoba Industrial Opportunities Program, Capital Markets Initiatives including the Small Business Venture Capital Tax Credit Program, the Commercialization Support for Business Program, the Third Party Managed Funds Program and a variety of special projects.

**Trevor Cornell, Chief Operating Officer (Industrial Technology Centre)**

Mr. Cornell joined ITC in 1984 and, as Engineering Services Manager, and subsequently Centre manager, Mr. Cornell provided leadership to the ITC during the transition from a provincial research organization to the commencement of the organization's operations as an SOA. With its own operating charter and degree of autonomy, ITC operates under the authority of Manitoba Jobs and the Economy.

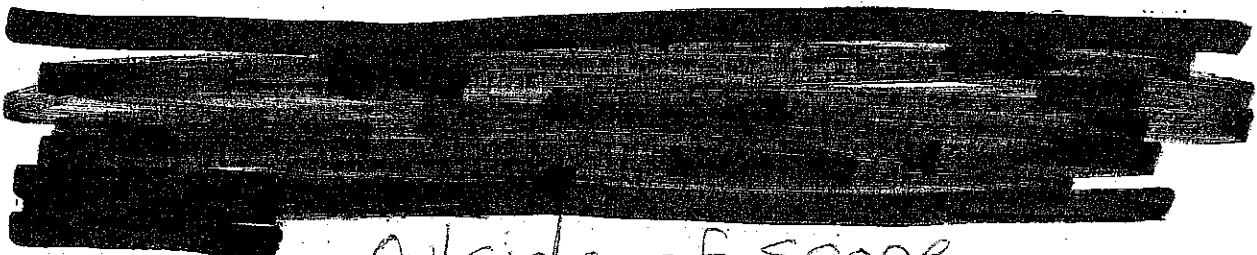
As COO of the Industrial Technology Centre, Mr. Cornell has been involved in establishing numerous new services. ITC currently provides advanced technical services that enable its clients to improve their products and processes, including: Calibration, Custom Data Acquisition, Equipment Rental, Lottery Ticket Testing, Mechanical Testing, Modeling & Simulation, Noise Measurement & Analysis, Vibration Measurement & Analysis, and Technical Information & Advice.

Mr. Cornell has held a variety of positions in major manufacturing companies in Winnipeg and the U.K., working on a variety of development projects from designing washing machines to tractor production lines. He has provided technical consulting and business advisory services with small- and medium-sized enterprises in product design and development, process control, material requirements, plan layouts, costing systems. He has led projects in Pakistan, India, Central America, and East Africa as well as assisting with institutional management training programs in the Caribbean. Mr. Cornell was instrumental in the establishment of the Advanced Manufacturing Technology Initiative in Manitoba to help local manufacturers improve productivity.

Mr. Cornell was educated in the United Kingdom, receiving a Bachelor of Science (B.Sc. Hons) in Mechanical Engineering from Leeds University. He also holds a Post Graduate Diploma in Management Studies (MMS Dip) from Bradford College, Leeds University. Mr. Cornell is a Chartered Engineer (C.Eng.), with membership in the Institute of Engineering & Technology (MIET) in the U.K. and is a Professional Engineer (P.Eng.), with membership in the Association of Professional Engineers and Geoscientists of Manitoba (APEGM) in Canada. Mr. Cornell has received the APEGM Certificate of Engineering Achievement, has been honoured as a Fellow of Engineers Canada (FEC), and has received the Queen Elizabeth II Diamond Jubilee Medal.

[REDACTED]

*outside of scope*



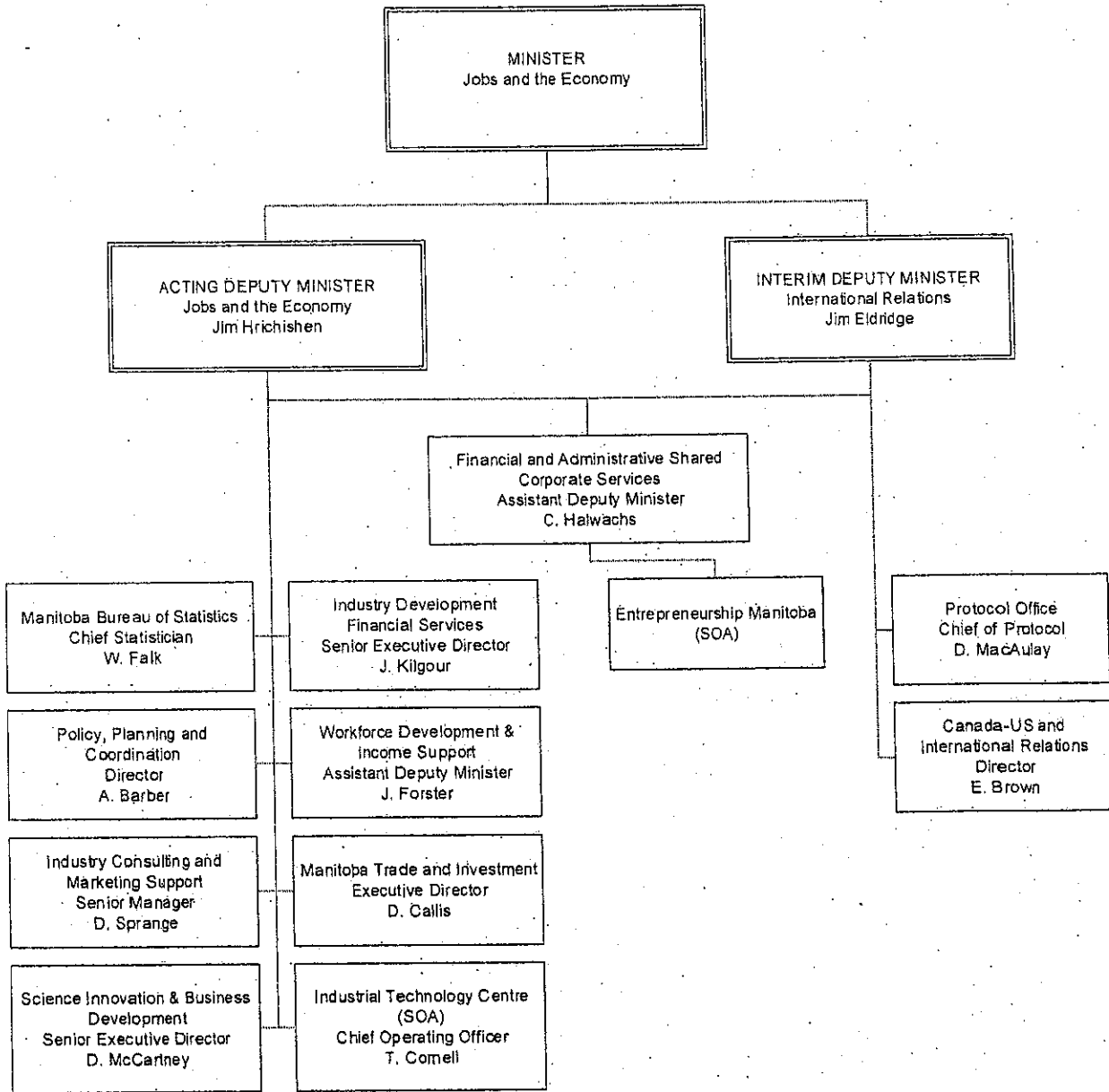
*outside of scope*

**David A. G. Sprange, Senior Manager (Industry Consulting and Marketing Support)**

David has over 43 of years experience in industrial and economic development with the Manitoba Government. During his career, Mr. Sprange has been involved in a wide range of projects in the manufacturing, health, environment and energy sectors. Together with his team, he represents the Department in a number of areas including Economic Development Winnipeg, the Canadian Manufacturers and Exporters Association, the Vehicle Technology Center, the Composites Innovation Center and the Sustainable Development Innovations Fund. David Sprange holds a Bachelor's Degree in Civil Engineering and a Master's Degree in Business Administration.

3. Organization chart

**JOBS AND THE ECONOMY  
ORGANIZATION CHART  
As at April 1, 2016**



NOT REFLECTED ON THIS CHART:  
THE MANITOBA DEVELOPMENT CORPORATION

Strategic Overview

1. Strategic priorities

outside  
of  
scope

[REDACTED]

**Priority 2: Business Investment and Entrepreneurship – Promote business investment, competitiveness and productivity.**

Jobs and the Economy supports investment and entrepreneurship, in partnership with stakeholders, through a variety of initiatives, programs and services that focus on labour market and entrepreneurial development, access to capital, and productivity.

Outside  
of  
scope

[REDACTED]

**Priority 4: Trade Development – builds Manitoba's international business activity including trade and investment promotion.**

Jobs and the Economy support Manitoba businesses to become export ready and to diversify into domestic and international markets by delivering targeted programs and services. It promotes the Province as a destination for investment to increase foreign direct investment and employment in the Province. Manitoba's participation under international and internal trade agreements is also supported.

Outside  
of  
scope

[REDACTED]

**Priority 6: Research, Innovation and Commercialization – assist Manitoba researchers and entrepreneurs in successfully taking their innovations from idea to market.**

Jobs and the Economy works to build our province's capacity in leading-edge research; spur the commercialization of those discoveries into innovative new products, processes or services; and drive the ongoing growth and development of Manitoba's knowledge-based industries and companies.



**DETAILS OF ESTIMATED REVENUE  
FOR THE FISCAL YEAR ENDING MARCH 31<sup>ST</sup>, 2017  
DEPARTMENT OF JOBS AND THE ECONOMY**

SERVICE	ESTIMATES OF REVENUE 2016/17 \$ (000s)	ESTIMATES OF REVENUE 2015/16 \$ (000s)
1. TAXATION:		
2. OTHER REVENUE:		
<i>outside of scope</i> a. [REDACTED]	[REDACTED]	[REDACTED]
b. Fees	[REDACTED]	[REDACTED]
<i>outside of scope</i> d. [REDACTED]	[REDACTED]	[REDACTED]
e. Sundry	[REDACTED]	[REDACTED]
Total Other Revenue (Jobs and the Economy)	[REDACTED]	[REDACTED]
3. GOVERNMENT OF CANADA:		
<i>Outside of Scope</i> j. [REDACTED]	[REDACTED]	[REDACTED]
Total Government of Canada (Jobs and the Economy)	[REDACTED]	[REDACTED]
<b>Total Department of Jobs and the Economy</b>	[REDACTED]	[REDACTED]

**DETAILS OF ESTIMATED REVENUE  
FOR THE FISCAL YEAR ENDING MARCH 31<sup>ST</sup>, 2017  
DEPARTMENT OF JOBS AND THE ECONOMY  
SPECIAL OPERATING AGENCIES**

19 (1) (c)  
19 (1) (e)  
23 (1) (f)





RES. NO.	APPRO. NO.	SERVICE	ESTIMATES OF EXPENDITURE 2016/17 \$ (000s)	ESTIMATES OF EXPENDITURE 2015/16 \$ (000s)
10.1	1.	ADMINISTRATION AND FINANCE		
	(a)	Minister's Salary		
	(b)	Executive Support		
	(1)	Salaries and Employee Benefits		
	(2)	Other Expenditures		
		Subtotal (b)		
	(c)	Financial and Administrative Services		
	(1)	Salaries and Employee Benefits		
	(2)	Other Expenditures		
	(3)	Less: Recoverable from Mineral Resources		
		Subtotal (c)		
	(d)	Policy, Planning and Co-ordination		
	(1)	Salaries and Employee Benefits		
	(2)	Other Expenditures		
		Subtotal (d)		
	(e)	Manitoba Bureau of Statistics		
	(1)	Salaries and Employee Benefits		
	(2)	Other Expenditures		
	(3)	Less: Recoverable from other appropriations		
		Subtotal (e)		
10.2	2.	BUSINESS SERVICES		
	(a)	Industry Development		
	(1)	Financial Services		
	(a)	Salaries and Employee Benefits		
	(b)	Other Expenditures		
	(c)	Business Financial Support		
	(d)	Less: Interest Recovery - Business Financial Support		
		Subtotal (1)		
	(2)	Commercialization Support for Business		
		Subtotal (a)		
	(b)	Industry Consulting and Marketing Support		
	(1)	Salaries and Employee Benefits		
	(2)	Other Expenditures		
	(3)	Grant Assistance		
		Subtotal (b)		
	(c)	Science, Innovation and Business Development		
	(1)	Salaries and Employee Benefits		
	(2)	Other Expenditures		
	(3)	Research Manitoba		
		Less: Recoverable from Urban Development		
	(4)	Initiatives		
		Subtotal (c)		
	(d)	Interactive Digital Media Tax Credit		
	(e)	Industrial Technology Centre		
	(f)	Entrepreneurship Manitoba		
	(g)	Economic Development Initiatives		
	(h)	Less: Recoverable from other appropriations		
10.3		[REDACTED]		

19(1)(c)  
19(1)(e)  
23(1)(f)

OUTSIDE  
OF  
SCOPE

OUTSIDE  
OF  
SCOPE

[REDACTED]

10.4

4. INTERNATIONAL RELATIONS AND TRADE

- (a) International Relations
  - (1) Salaries and Employee Benefits
  - (2) Other Expenditures
  - (3) Grant Assistance
 Subtotal (a)
- (b) Manitoba Trade
  - (1) Salaries and Employee Benefits
  - (2) Other Expenditures
    - Less: Recoverable from Urban Development
  - (3) Initiatives
 Subtotal (b)

19(1)(c)  
19(1)(e)  
23(1)(f)

10.5

5. COSTS RELATED TO CAPITAL ASSETS

Provides for costs related to capital assets.

- (a) Amortization Expense
- (b) Interest Expense

TOTAL PART A - OPERATING

3. Broad policy or financial pressures

FINANCIAL PRESSURES:

[REDACTED]

outside of scope

**Aerospace Agreement**

- Manitoba is in initial discussions towards a potential agreement with Canada on aerospace training. This partnership could provide federal funding of up to \$20M over five years to build on the current significant provincial investment.

[REDACTED]

outside of scope

OUTSIDE  
OF  
SCOPE

[REDACTED]

23(1)(a)(f)

[REDACTED]

23(1)(a)(f)

- The Province of Manitoba previously provided two year (2014-2016) operating funding of \$1,980,000 (\$990,000 per year) to support the World Trade Centre Winnipeg.
- The Province of Manitoba also provided two year (2014-2016) funding in the amount of \$90,000 (\$45,000 each year) for the Francophone Immigration Program.
- The World Trade Centre Winnipeg also receives funding (three-year service agreement (2014/15 - 2016/17) from Western Economic Diversification to provide information and services through The Business InfoCentre.
- The World Trade Centre Winnipeg's primary funding comes from the public sector.
- Since 2007/08 to date, the Province of Manitoba has provided/committed over \$10,500,000 to ANIM and the WTCW for their operating and activities (Centrallia, Francophone Immigration Program, etc). This does not include amounts paid to the WTCW for government participants on WTCW missions, partner fees for seminars, trade show space at Centrallia events, etc.

**POLICY PRESSURES:**

**Internal Trade**

- The federal, provincial and territorial negotiations are entering the final phase of negotiations on Canadian trade obligations/rules and government offers.
- Industry associations are pressuring governments to conclude a renewed internal trade agreement to ensure Canadians are not disadvantaged by recently concluded international trade agreements.

[REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

OUTSIDE OF SCOPE

[REDACTED]

OUTSIDE OF SCOPE

### Tech Sector Strategy

- A tech sector strategy addressing the priorities noted below is paramount to capturing new innovation opportunities for the competitiveness and productivity of Manitoba's economy in the coming years.

[REDACTED]

SGC 23(1)(a)

### Access to Technology Talent

- People are the tech sector's greatest asset, yet talent attraction and retention are among the top issues constraining the growth of technology companies. Manitoba must bolster its efforts to develop, attract and retain tech talent. Tech companies start, grow and remain in cities where there is a robust pool of qualified, affordable talent. Strategic actions include the development and launch of a tech talent strategy for Manitoba which focuses upon the creation and retention of homegrown talent and international talent to Manitoba through immigration; and increased awareness of STEM (Science, Technology Engineering and Math) careers and opportunities in Manitoba.

### Access to Markets

- Manitoba has a robust community of technology startups that are growing the base of small and medium-sized enterprises (SMEs) in our tech sector. Manitoba must ensure that supports are in place to assist these SMEs to generate revenue and accelerate their growth through the acquisition of new customers and partners. In other words, we must assist Manitoba SMEs to scale up, to grow and to be successful in global markets. Support for Manitoba SMEs to acquire these relationships at local, national and international levels will assist them to scale up, attract investment and create jobs. Strategic actions include efforts at a local and international level to improve access to international markets, capital, and government procurement.
- Technology Adoption by traditional industry and the development of an open data strategy for Manitoba round out the priorities in this area.

### Access to Timely and Relevant Sector Data

- In order for Access to Technology Talent and Access to Markets priorities to be successfully actioned, timely and relevant information must be available to facilitate strategy and decision making. An aligned view of the tech sector in Manitoba must be developed among stakeholders and a long term data collection and maintenance strategy must be put into place.

#### 4. List of community contacts

- Alliance of Manitoba Sector Councils
- Apprenticeship and Certification Board and Provincial Advisory Councils
- Arts and Cultural Industries Association of Manitoba Inc.
- Assembly of Manitoba Chiefs Secretariat Inc. (Eagle Urban Transition Centre)
- Association of Manitoba Municipalities
- Behavioural Health Foundation
- Brandon Energy Efficiency Program (BEEP)
- Building Urban Industrial for Local Development (BUILD)
- Business Council of Manitoba
- Campus Manitoba
- Canadian Agri-Food Trade Alliance
- Canadian Centre for Policy Alternatives
- Canadian Generic Pharmaceutical Association
- Canadian Manufacturers & Exporters (CME)
- Carberry and District Development Corporation
- Career Trek
- Cathedral Group
- CCEDNet – Canadian Community Economic Development Network
- Chambers of Commerce
- Change Talk Association
- Communities Economic Development Fund
- Community Employment and Resource Centre (CERC)
- Community Futures
- Composites Innovation Centre
- Construction Association of Rural Manitoba (CARM)
- Corporation de Développement Communautaire Lourdeon, Community Development Corporation
- Council of Canadians
- Eastman - Association for Community Living (ACL)
- Economic Development Council for Manitoba Bilingual Municipalities (CDEM)
- Economic Development Winnipeg
- Edge Skills Centre Inc
- Education and Employment Preparation Services
- Employment centres
- Entrepreneurship Manitoba
- Essentials Skills Manitoba
- Family Dynamics



- Festival du Voyageur Inc.
- Fieldstone Ventures Education and Training Centre
- Film Training Manitoba Inc.
- FireSpirit
- Food Development Centre
- Friendship Centres, Family Resource Centres
- Futurpreneur Canada
- Gateway Counselling Services
- Genome Prairie
- Horizons Management System Inc.
- Immigrant Centre Manitoba Inc.
- Incorporated Community of Cross Lake
- Indigenous Leadership Development Institute Inc.
- Industrial Technology Centre
- Information and Communication Technologies Association of Manitoba
- Innovate Manitoba
- International Centre for Infectious Diseases
- Job seekers
- Jobworks Employment Education Programs
- Joint Community and Government Members Committee on Disability-Related Employment and Income Assistance Issues
- JUST Training Corporation
- Ka Ni Kanichihk Inc.
- Knox United Church
- Labour Groups, Manitoba Federation of Labour, Unions
- Life Science Association of Manitoba
- Make Poverty History
- Manitoba Aerospace Human Resources Council
- Manitoba Agri-Health Research Network
- Manitoba Association of Friendship Centres
- Manitoba Aviation Council
- Manitoba Businesses (small, medium, and large)
- Manitoba Construction Sector Council
- Manitoba Customer Contact Association
- Manitoba Dental Association
- Manitoba Environmental Industries Association
- Manitoba Federation of Labour
- Manitoba Federation of Non-Profit Organizations
- Manitoba Food Processors Association
- Manitoba Funeral Services Association

- Manitoba government departments seeking Labour Market Information and/or guidance with labour mobility obligations
- Manitoba Hydro
- Manitoba Inuit Association
- Manitoba Keewatinowi Okimakanak Inc.
- Manitoba Liquor and Lotteries
- Manitoba Metis Federation, Wabowden Local
- Manitoba Music Industry Association
- Manitoba Print Industries Association
- Manitoba Public Insurance
- Manitoba secondary and post-secondary students
- Manitoba Securities Commission
- Manitoba Start
- Manitoba Technology Accelerator
- Manitoba Tourism Education Council
- Minister's Advisory Council on Workforce Development
- Multi-Sector Committee on Employment for Persons with Disabilities
- National Research Council – Industrial Research Assistance Program
- Ndinawemaaganag Endaawaad Inc. (Ndinawe)
- Network 4 Change
- New Media Manitoba
- North End Community Renewal Corporation
- Northern Manitoba Sector Council
- Northwest Manitoba Community Futures Development Corporation
- Opening Doors to Success Inc.
- Opportunities for Employment
- Opticians of Manitoba
- Orthopaedic Innovation Centre
- Osborne Village Resource Centre
- Pluri-Elles Manitoba
- Portage Learning & Literacy Centre
- Prairie Skills Inc.
- Premier Personnel Corporation
- Qnet
- Reaching Equality Employment Services
- Regional Employment Resource Centre
- Research Manitoba
- Richardson Centre for Functional Foods and Nutraceuticals
- Rx&D
- S.A.M Inc
- Samaritan House Ministries Inc

- Sara Riel
- Segue Career Options Inc.
- Selkirk & District Community Learning Centre Inc.
- Skills Canada Manitoba
- Smartpark – University of Manitoba
- Social Planning Council
- Social Skills Inc.
- Start-Up Winnipeg
- St-Pierre en Boom
- Stu Clark Centre for Entrepreneurship – University of Manitoba
- Supply Management Five (SM5)
- Swan River Parks and Recreation
- Taking Charge!
- Technology Transfer Office – University of Manitoba
- The Canadian Institute for Blind (CNIB)
- The EIA Advocates Network
- The Eureka Project – University of Manitoba
- The Manitoba Chambers of Commerce
- The Momentum Centre
- The Red Road Lodge
- The Salvation Army Weetamah Community Services
- Thicket Portage Community Council
- Town of Swan River
- TRTech
- Urban Circle Training Centre
- Virden Employment Skills Centre Inc.
- Walker Business Services
- Western Economic Diversification Canada
- Westlake Employment Skills & Services Centre Inc
- Westman Immigrant Services Inc.
- Winnipeg Transition Centre Inc.
- Wood Manufacturing Council
- Workplace Education Manitoba
- Yellowhead Regional Employment Skills & Services Inc
- Yes! Winnipeg
- YMCA - YWCA of Winnipeg, YWCA Thompson, Thompson Boys & Girls Club Inc.
- Youth Employment Services

## 5. Statutory responsibilities of the Minister / Legal framework

The Advisory Council on Workforce Development Act .....	A 6.5
The Apprenticeship and Certification Act.....	A 110
The Apprenticeship Employment Opportunities Act (Public Works Contracts).. .....	A110.5
The Manitoba Assistance Act.....	A150
The Business Names Registration Act .....	B 110
The Convention Centre Corporation Act (S.M. 1988-89, c. 39) .....	-
The Certified Occupations Act.....	C48
The Corporations Act [except Part XXIV] .....	C 225
The Crocus Investment Fund Act (except section 11) .....	C 308
The Design Institute Act.....	D 40
The Manitoba Development Corporation Act.....	D 60
The Education Administration Act (clause 3(1)(h), as it relates to training).. .....	E 10
The Electronic Commerce and Information Act .....	E 55
The Manitoba Evidence Act [Parts II and III] .....	E 150
The Franchises Act.....	F 156
The Income Tax Act [section 10.5] .....	I 10
The Innovation Funding Act .....	I 37
The Labour Mobility Act.....	L 5
The Labour-Sponsored Venture Capital Corporations Act (Part 2, and sections 16 to 18 as they relate to Part 2).....	L 12
The Labour Administration Act (as it relates to certain training programs).....	L 20
The Partnership Act .....	L 30
The Personal Information Protection and Identity Theft Prevention Act .....	P 33.7
The Religious Societies' Lands Act .....	R 70
The Research Manitoba Act.....	R 118
*The Social Services Administration Act (as it relates to employment and income support).....	S165
The Statistics Act.....	S 205
and	
The Rent Aid Regulation, M.R. 148/2006, made under The Housing and Renewal Corporation Act	
*Under the Social Services Administration Act, responsibility for	
• Income Supplement for Persons Eligible for Old Age Security Benefits, (55 PLUS) Regulation, M.R. 65/90	
• Income Supplement for Persons Not Eligible for Old Age Security Benefits, (55 PLUS) Regulation, M.R. 64/90	

- Manitoba Child Benefit Regulation, M.R. 85/2008
- Vocational Rehabilitation of Disabled Persons Regulation, M.R. 1/90

As per Schedule "M" referred to in Order-In-Council No 388/2013  
 Amended per Order-In-Council No. 142/2014  
 Amended per Order-In-Council No. 458/2014  
 Amended per Order-In-Council No. 502/2015

**Minister's Signing Authority for the Manitoba Interactive Digital Media Tax Credit Program (MIDMTC)**


- The Manitoba Interactive Digital Media Tax Credit (MIDMTC) is a refundable corporate tax credit program. Qualifying companies can claim a 40% tax credit on eligible project costs they incur and pay to develop an eligible interactive digital media product in Manitoba. The program is governed by legislation in Subsections 10.5(1) to 10.5(14) of The Income Tax Act (Manitoba)
- As per the MIDMTC legislation, the Minister is responsible for signing and issuing MIDMTC tax credit certificates to companies that have qualified for a tax credit under the MIDMTC program. Companies submit these tax credit certificates to CRA as part of their T2 corporate income tax returns, in order to claim the MIDMTC tax credit(s) earned.
- The Minister has the ability to revoke MIDMTC tax credit certificates that have been issued, according to criteria set out in Subsection 10.5(10) and 10.5(11) of the MIDMTC legislation. The Minister may also recover any overpayment of tax credits, according to criteria set out in Subsection 10.5(12) of the legislation.

**Minister's Signing Authority for the TechFutures Program**

- Delivered in partnership with Startup Winnipeg, Futurpreneur Canada and Innovate Manitoba, the TechFutures Program is targeted to young entrepreneurs between the ages of 18 and 34, who are either pursuing or considering the commercialization of a technology-driven business idea. The program provides support to assist entrepreneurs in launching or growing an early stage technology startup. Successful recipients will receive:
  - \$3,000 in financial assistance;
  - Lean startup training at an Innovate Manitoba LaunchPad Startup Skills Workshop; and
  - Business counselling and services from Entrepreneurship Manitoba.
- There are two application intakes for the Tech Futures Program with ten awards of \$3,000 each being awarded per intake. The next application intake is scheduled for May 2016. The Minister has signing authority for the disbursement of awards under the program.

6. Scheduled events - 30 days

Date/ Time/ Location	Description of the Event	Additional Details
<p>April 21, 2016</p> <p>5:30 – 10:00 p.m.,</p> <p>RBC Convention Centre</p>	<p><b>The Innovators 2016</b></p> <p>The Innovators showcases leaders who are inventing the future. Featured guests are Martin Cooper, inventor of the mobile phone and Aaron Zifkin, Country Manager for Airbnb Canada. Joining Martin and Aaron for a robust conversation on innovation and how technology is shaping businesses now and in the future is technology columnist and author, Marc Saltzman. This annual event is put on by the Information and Communication Technologies Association of Manitoba.</p>	<p>Expectation of the Attending Minister: Excellent opportunity to network with the Manitoba Information and Communication Technologies community.</p>
<p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>[REDACTED]</p> <p>Out of scope</p>
<p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>[REDACTED]</p> <p>Out of scope</p>
<p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>[REDACTED]</p> <p>Out of scope</p>
<p>May 4, 2016</p>	<p><b>YMCA-YWCA Women of Distinction Awards Gala</b></p>	<p>Expectation of the Attending Minister: Opportunity to present the Award for</p>

<p>5:30 – 10:00 p.m. RBC Convention Centre</p>	<p>For 40 years, the YMCA-YWCA Women of Distinction Awards Gala has celebrated the talent, achievement, imagination and innovation of Manitoban women who have made a unique and exemplary contribution to the development of others and to their community. The Department is a 2016 Gold Sponsor for the Science, Technology and Research Award category.</p>	<p>Science, Technology and Research.</p>
<p>May 19, 2016 Winnipeg</p>	<p><b>Let's Talk Exports</b> Manitoba Trade and Investment is partnering with Export Development Canada (EDC), to bring EDC's annual cross Canada tour entitled, "Let's Talk Exports" to Winnipeg on May 19, 2016. The "Let's Talk Exports" events are designed to provide attendees with the most up to date information available on the global economy and its implications for Canadian trade and investment opportunities</p>	<p>Manitoba Trade and Investment will request the participation of the Premier or Minister to bring greetings on behalf of the Government of Manitoba during the lunch on May 19, 2016.</p>
		<p><i>out of scope</i></p>
<p>May 25-27, 2016 Nashville, Tennessee</p>	<p><b>Southeastern United States - Canadian Provinces Alliance</b>  The Southeastern United States-Canadian Provinces (SEUS-CP) Alliance is intended to foster commercial connections, promote two-way investment, and encourage technological and scientific exchanges between Provinces and States.  The Alliance has 13 member jurisdictions (Georgia, South Carolina, North Carolina, Tennessee, Mississippi and Alabama and Newfoundland and</p>	<p>Manitoba will host the SEUS-CP meeting in 2017; as part of these duties, Manitoba will be expected to host a launch event at the 2016 SEUS-CP meeting.  Participation by the Premier or a Minister will raise Manitoba's profile at this event and assist in attracting delegates to Manitoba in 2017.</p>





## 7. Acronyms

ACC – Assiniboine Community College  
ACIS - Apprenticeship and Certification Information System  
AD – Anti-dumping Duty  
AGM – Annual General Meeting  
AIP – Agreement in Principle  
AIT – Agreement on Internal Trade  
ALC – Adult Learning Centres  
AMM – Association of Manitoba Municipalities  
ASEAN – Association of Southeast Asian Nations  
BCM – Business Council of Manitoba  
BEEP – Brandon Energy Efficiency Program  
BRIC – Brazil, Russia, China and India  
BU - Brandon University  
BUILD – Building Urban Industries for Local Development  
CAF – Canadian Apprenticeship Forum  
CAHRD – Centre for Aboriginal Human Resource Development  
CCDA – Canadian Council of Directors of Apprenticeship  
CCEDNet – Canadian Community Economic Development Network  
CDEM – Economic Development Council for Manitoba Bilingual Municipalities  
CECR - Centres of Excellence for Commercialization and Research  
CETA – Canada/European Union Comprehensive Economic and Trade Agreement  
CFI – Canada Foundation for Innovation  
CFREF - Canada First Research Excellence Fund  
Ch.7 – Chapter 7 (Labour Mobility) of the Agreement on Internal Trade  
CIC - Composites Innovation Centre  
CIHR – Canadian Institutes for Health Research  
CIT – Committee on Internal Trade  
CJEPA – Canada/Japan Economic Partnership Agreement  
CJF – Canada Job Fund  
CKFTA – Canada/South Korea Free Trade Agreement  
CME – Canadian Manufacturers and Exporters  
CMJG – Canada-Manitoba Job Grant  
COF – Council of the Federation  
CVD – Countervailing Duty  
EAL - English as an Additional Language  
EAP – Economic Action Plan  
EAS – Employment Assistance Services  
EDC – Export Development Canada

EDW – Economic Development Winnipeg  
EI – Employment Insurance  
EIA - Employment and Income Assistance  
EPIWG – Economic Productivity and Innovation Working Group (Council of the Federation)  
ESDC – Employment and Social Development Canada  
ETA – Employment and Training Assessment  
EU – European Union  
FDC – Food Development Centre  
FIPA – Foreign Investment Promotion and Protection Agreements  
FIPPA – Freedom of Information and Protection of Privacy Act  
FLMM – Forum of Labour Market Ministers  
FPT – Federal, Provincial and Territorial  
G2G – Government to Government Dispute Resolution Procedures  
GA – General Assistance  
GATS – General Agreement on Trade in Services  
GATT – General Agreement on Tariffs and Trade  
GC – Genome Canada  
GP – Genome Prairie  
HSAP – High School Apprenticeship Program  
IAPD – Income Assistance for Persons with Disabilities  
IBEW – International Brotherhood of Electrical Workers  
ICM - Integrated Case Management  
ICT – Information and Communication Technologies  
ICTAM - Information and Communication Technologies Association of Manitoba  
IDM – Interactive Digital Media  
ILFIF – Industry and Labour Force Investment Fund  
ISA – Information Sharing Agreement  
ISED – Innovation, Science and Economic Development Canada  
ITC – Industrial Technology Centre  
ITES – Industry, Training and Employment Services  
ITR – Internal Trade Representative  
ITS – Internal Trade Secretariat  
JRS – Job Referral Services  
LFS – Labour Force Survey  
LICO – Low Income Cut-Offs  
LMA – Labour Market Agreement  
LMAPD – Labour Market Agreement for Persons with Disabilities  
LMCG – Labour Mobility Coordinating Group, a working group under the direction of the FLMM

LMDA – Labour Market Development Agreement  
 LMI – Labour Market Information  
 LMI Council – Labour Market Information Council, a national body under development for the coordination of collection, analysis and distribution of LMI.  
 LPN – Licensed Practical Nurses  
 LSAM - Life Sciences Association of Manitoba  
 MACWD – Minister's Advisory Council on Workforce Development  
 MAHRN - Manitoba Agri-Health Research Network  
 MBM – Market Basket Measure  
 MCB – Manitoba Child Benefit  
 MFL – Manitoba Federation of Labour  
 MIDMTC - Manitoba interactive Digital Media Tax Credit  
 MITT - Manitoba Institute of Trades and Technology  
 MJSD – Manitoba Jobs and Skills Development Centres  
 MMR – Median Market Rents  
 MOU – Memorandum of Understanding  
 MRSS – Ministers Responsible for Social Services  
 MTA - Manitoba Technology Accelerator  
 NAFTA – North American Free Trade Agreement  
 NAICS – North American Industry Classification System  
 NASCO – North American Strategy for Competitiveness  
 NCE - Networks of Centres of Excellence  
 NML –National Microbiology Laboratory  
 NMM - New Media Manitoba  
 NMSC – Northern Manitoba Sector Council  
 NOA – National Occupational Analysis  
 NOC – National Occupational Classification  
 NPO – Non-Profit Organization  
 NRC –IRAP - National Research Council – Industrial Research Assistance Program  
 NSERC - Natural Sciences and Engineering Research Council of Canada  
 NWPTA – New West Partnership Trade Agreement  
 OFE – Opportunities for Employment  
 OIC - Orthopaedic Innovation Centre  
 P2G – Person to Government Dispute Resolution Procedures  
 R&D – Research and Development  
 RCFFN - Richardson Centre for Functional Foods and Nutraceuticals  
 RRC – Red River College  
 S&T – Science and Technology  
 SAMIN – Social Allowances Management Information Network

SIBD – Science, Innovation and Business Development Division, Jobs and the Economy  
SIMTReC - Structural Innovation and Monitoring Technologies Inc.  
SLA – Softwood Lumber Agreement  
SME – Small and Medium-Sized Enterprises  
SR&ED - Scientific Research and Experimental Development Tax Incentive Program  
SRDC – Social Research and Demonstration Corporation  
SSAB – Social Services Appeal Board  
SSHRC – Social Sciences and Humanities Research Council  
STEM - Science, Technology, Engineering and Mathematics  
STI – Science, Technology and Innovation  
TfOW – Targeted Initiative for Older Workers  
TISA – Trade in Services Agreement  
TPP – Trans Pacific Partnership Agreement  
TRIPS - Trade Related Aspects of Intellectual Property Rights  
TTO – Technology Transfer Office, University of Manitoba  
UCN – University College of the North  
UofM - University of Manitoba  
UofW - University of Winnipeg  
WDIS – Workforce Development and Income Support Division  
WED - Western Economic Diversification Canada  
WEM - Workplace Education Manitoba  
WTCW - World Trade Centre Winnipeg  
WTO – World Trade Organisation  
WTO GPA – WTO Government Procurement Agreement

**JOBS AND THE ECONOMY URGENT ISSUES**  
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[REDACTED]

[REDACTED]

[REDACTED]

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OUTSIDE OF SCOPE

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OUTSIDE OF SCOPE



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This document is a Cabinet confidence as defined in subsection 19(1) of The Freedom of Information and Protection of Privacy Act

OUTSIDE OF SCOPE



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OUTSIDE OF SCOPE

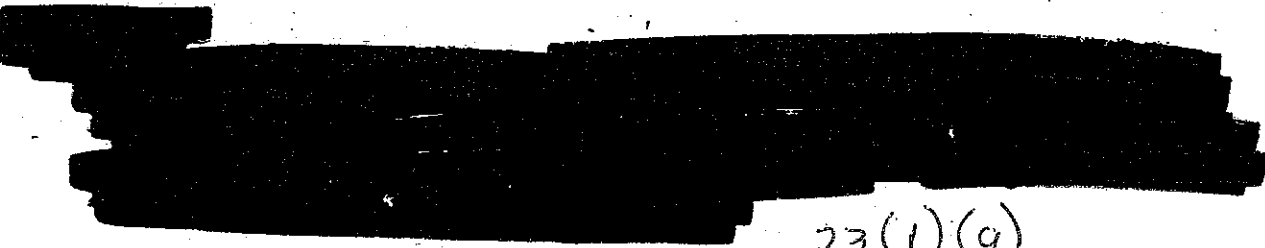
## Issue: Internal Trade

### Issue Overview

- Canada's Premiers provided a mandate in 2014 calling for an ambitious, balanced, and equitable renewed Agreement on Internal Trade (AIT). Premiers established March 2016 as the negotiating deadline and Ministers are working toward an Agreement in Principle within that deadline. The AIT is a federal, provincial, and territorial agreement covering 11 sectors of the economy effective 1995.
- Ministerial and Cabinet direction likely will be required to conclude the final agreement before the summer Council of the Federation (July 20-22, 2016) meeting.
- Federal, Provincial, and Territorial Parties are participating in negotiations on a revised internal trade agreement in accordance with the mandate established by the Council of the Federation (COF) and agreed to by the Federal Government.
- Manitoba is one of the only provinces that regularly exports more goods and services to other provinces than to other countries. Manitoba has been pursuing an agreement with open, fair and balanced trade rules covering as much of the economy as possible with access to a transparent, timely and effective dispute mechanism. Industry associations are lobbying governments to have an internal trade agreement to ensure Canadians are not disadvantaged by international trade agreements.

### Current status:

- Internal Trade Ministers have directed that an "agreement in principle" be negotiated by the end of March, with the goal of a final agreement in time for the July 2016 COF.
- Negotiations may continue past March given the complexities of integrating existing AIT obligations with obligations in international agreements (where appropriate), as well as securing sufficient trade commitments from all Parties that to achieve an ambitious, balanced and equitable agreement that levels the playing field for trade.
- To date, Manitoba's offer would be conditional on appropriate and satisfactory offers from other Parties representing, in Manitoba's estimation, an appropriate balance of market openness to ensure fairness and a level playing field for Manitobans.



23(1)(a)

### Contacts:

**Alan Barber, Director, Policy, Planning and Coordination, 204-945-8714**  
**Tami Reynolds, Internal Trade Representative, 204-945-1490**

Issue: Manitoba Foreign Trade Representative Contracts

Current status:

[REDACTED]

19(1)(c)(e)

- The Foreign Trade Representatives provide on-the-ground assistance to Manitoba companies interested in entering international markets. On-the-ground assistance is important for identifying partners and addressing challenges in market. The Foreign Trade Representatives also promote Manitoba as a destination for inward investment.
- In Manitoba Trade and Investment biennial third-party Client Satisfaction Survey Manitoba's Foreign Trade Representatives were ranked as a key service provided by Manitoba Trade and Investment.

[REDACTED]

19(1)(c)(e)  
23(1)(a)

[REDACTED]

Contact: Don Callis, Executive Director – Manitoba Trade and Investment, 945-8695

23(1)(a)

**Issue: Southeastern US-Canadian Provinces (SEUS-CP) Alliance Meeting  
(May 26-28)**

**Current status:**

- The SEUS-CP Alliance is a trade promotion partnership between 6 southeastern states (AL, GA, MS, NC, SC, TN) and 7 provinces (MB, NB, NL, NS, ON, PE, QC) that holds an annual business-to-business conference. As the 2017 host jurisdiction, Manitoba is expected to hold a luncheon for all attendees at the 2016 meeting in Nashville, TN (May 26-28).
- Although a founding member in 2008, Manitoba has not had a significant involvement since and previously deferred hosting in 2015.

[REDACTED]

23(1)(a)(f)

**Contact:**

**Don Callis, Executive Director – Manitoba Trade and Investment, 945-8695**

**Issue: Negotiating a new Canada/US Softwood Lumber Agreement (SLA)**

**Current status:**

- The 2006 SLA expired on October 15, 2015.
- Canada and the US are currently in a free trade and "standstill" period as per the 2006 SLA where the US has agreed not to launch any trade remedy action for 1 year (expiring October 2016). If no other SLA is negotiated, it can be expected that the US will launch a countervailing duty/anti-dump investigation into Canadian exports to the US very shortly after the standstill period expires.
- At the urging of provincial/territorial officials and industry, the new federal government began engaging with US officials in an informal capacity, exploring potential interest in developing a new SLA.
- This process became formalized when Prime Minister Trudeau and President Obama agreed to an action plan on softwood lumber during Trudeau's visit to Washington in March, 2016. The Leaders agreed that Ministers will intensively explore all options with respect to a new SLA and report back within 100 days (approximately June 18) on the key features that would address this issue.
- Provinces, Territories and industry will be consulted extensively in the negotiation of a new softwood lumber agreement and will be asked for comments/concurrence.

[REDACTED]

[REDACTED]

23(1)(a)

Contact: Alan Barber, Director, Policy, Planning and Coordination, 204-945-8714

## Issue: Pressure on the Commercialization Support for Business Program (CSB)

### Current status:

The CSB program provides up to \$5.1 million in grant funding to support small and medium sized business and entrepreneurs to move forward by providing funding for product and process commercialization and business development in all sectors and all regions of the province at every stage of the business lifecycle. There are four streams of funding as follows:

**1. Product Development:** up to \$50,000 towards market validation studies, prototype development, intellectual property registration and/or certification (est. cost \$1.7M).

**2. Commercialization:** up to \$250,000 for growth oriented ventures that already have a market-ready product (annual cost \$1.3 M).

**3. Market Development:** up to \$30,000 for firms to engage in activities that will enable them to enter new markets outside of Manitoba (est. cost \$0.3 M).

**4. Infrastructure:** funding to third-party organizations and projects that support Manitoba small business such as incubators, industry associations, TR Labs, Tech Futures Program (est. cost \$2.0 M).

[REDACTED]

23 (1) (A)

In the fall of 2015, the Department held roundtable discussions with stakeholders and program administrators to discuss possible changes to the CSB. The group included representatives from Futurpreneur Canada, Eureka Project, Innovate Manitoba and prior clients of CSB (representing approximately 30% of CSB applications). This stakeholder group proposed a wide array of changes that could significantly increase the future cost of the CSB program. Some of the proposed changes include the following:

- reducing Stream 2 requirements to fund companies still in the product development stage (potential annual additional cost of \$2 to \$4 million);
- set up a council to process appeals for denied applications (estimated annual potential cost of \$1 million); and
- provide automatic Stream 2 approval if a company raises a certain threshold of private capital (potential cost unknown).

A detailed briefing note and options paper has been developed by the Department to address the various stakeholder program requests that would significantly increase the future cost of the program. For those stakeholder requests that can be implemented with minimal additional cost the Department has begun working with the stakeholder group towards refining the guidelines and funding agreements to achieve these goals. The Department anticipates that the stakeholder group will attempt to meet with the new Minister at the earliest possible opportunity to aggressively advance their assistance requests.

### Options:

[REDACTED]

23 (1) (a)

**Contacts:** Jeff Hodge, Acting Assistant Director, Industry Development Financial Services, 204-945-1015  
Kristine Seier, Senior Project Manager, Industry Development Financial Services, 204-945-8468

**Issue: Granny's Poultry Cooperative (Manitoba) Ltd**

**Issue Overview**

Provision of a \$2.5 million Manitoba Industrial Opportunities Program (MIOP) loan to Granny's Poultry Cooperative (Manitoba) Ltd. was approved in the fall of 2015. Granny's approval included a \$2.5 million subordinated, interest bearing, repayable MIOP loan and \$2.5 million in grant assistance under Manitoba Agriculture, Food and Rural Development's Growing Forward program.

The provision of the Growing Forward funding assistance and the MIOP loan was announced on January 12, 2016. The assistance was part of a \$37 million facility upgrading that was targeted to enhance Granny's strategic and competitive position in a number of different operating areas at the Blumenort facility.

[REDACTED]

[REDACTED]

Sec. 18(1)(c)(i)(ii)(iii)  
Sec. 23(1)(a)

[REDACTED]

[REDACTED]

**Contacts:**

Jeff Hodge, Acting Assistant Director, Industry Development Financial Services, 945-1015

**Issue: Relocation of Entrepreneurship Manitoba (EMB) Winnipeg corporate and branch offices (Manitoba Finance Accommodation Services Project Number 199-2469).**

**Issue Overview**

- The Department is seeking direction to proceed with the approval-in-principle for the relocation and construction of the Companies Office including the Chief Financial Officer Office (1010 – 405 Broadway); Competitiveness Initiatives (1130-259 Portage Avenue); Small Business Development (250-240 Graham Avenue); and the Chief Operating Officer Office (900-259 Portage Avenue) to new leased space.



19(1)(a)

**Current status:**

- Entrepreneurship Manitoba (EMB) has engaged Manitoba Finance Accommodation Services to proceed with the activity necessary to relocate and continue the service integration of Companies Office, Small Business Development, Competitiveness Initiatives, Chief Operating Officer Office and the Chief Financial Officer Office.
- Accommodation Services and EMB have completed the Functional Space Program which provided the business requirements for the Winnipeg-based relocation.
- The Joint Treasury Board Submission has been developed with estimated costs to-be-determined.



23(1)(a)

**Contact: Craig Halwachs 204-945-3675**



**Issue: Changes required to the Manitoba Interactive Digital Media Tax Credit**

**Current status:**

- Attracting large video game studios [REDACTED] to Manitoba is desirable because these companies create many high-skill, high-paying jobs that are very attractive to young people. As a result, three of the six other Canadian provinces that have digital media tax credits have enhanced their tax credits in recent years to target the attraction of these types of studios to their jurisdictions.
- Attracting [REDACTED] to Manitoba would require changes to the Manitoba Interactive Digital Media Tax Credit (MIDMTC). These changes would need to be approved by Treasury Board prior to Budget 2016, so that the required changes to the MIDMTC legislation could be made in the annual Budget Implementation Act (BITSA) and announced in Budget 2016.

**Options:**

**Contact:**

Avery Jodoin, Business Development Manager – Interactive Digital Media, 204-945-0975

SEC. 18(1)(b)(c)(i)(ii)(iii)  
SEC. 23(1)(a)(f)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

OUTSIDE OF SCOPE

**Issue: Appointments of Board for Manitoba Development Corporation (MDC) and Manitoba Opportunity Fund (MOF).**

**Current status:**

MDC and MOF require the government to fill vacant Board seats after the retirement of:

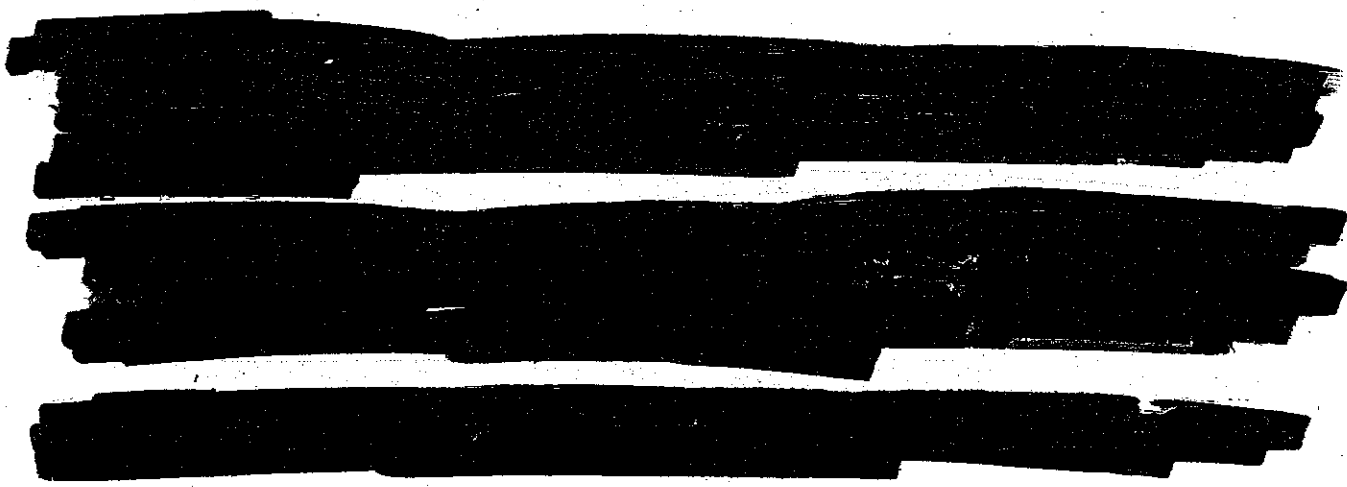
- Hugh Eliasson, Deputy Minister of Jobs and the Economy, who filled the role of Chair for both corporations; and
- Jim Kilgour, Senior Executive Director of the Financial Services Branch of Jobs and the Economy, who filled the role of General Manager for both corporations.

As of April 1, 2016, Lynn Zapshala-Kelln, Secretary to Treasury Board is the sole Board Member for the two organizations.

MDC was created through *The Manitoba Development Opportunities Act-D60*. Under the Act, the corporation is to be managed by a board of directors consisting of at least three and not more than five directors appointed by the Lieutenant Governor in Council; a member of the Legislative Assembly is not eligible to be a director; if a director is not a member of the civil service, the Lieutenant Governor in Council may specify the remuneration payable to the director; and the Lieutenant Governor in Council must designate one director as the chair of the board.

MOF is a corporation wholly owned by the Province, with the Minister of Finance treated as the sole shareholder. The Minister of Finance is responsible for appointing the Board of directors. In 2005, the Board determined the key principals of MOF should mirror the board and officers of MDC wherever possible.

Until the Board is re-established with between 3 and 5 members, the government is operating off-side of *The Manitoba Development Opportunities Act D60*.



**Contacts:** Jeff Hodge, Acting Assistant Director, Industry Development Financial Services, 945-1015  
Kristine Seier, Senior Project Manager, Industry Development Financial Services, 945-8468

23 (1) (a)

ADVISORY NOTE FOR CLERK, EXECUTIVE COUNCIL

Type:        Decision         Discussion         Information X

Initiated by: Minister         DM         ADM         Branch X

Division/Branch: Manitoba Data Analytics - JEC

Title: Improving Program Outcomes and Financial Sustainability through Data Analytics

Date: March 31, 2016

AIMS Log Number:

Issue Summary:

Advances in Data Analytics open an untapped opportunity for government to capture enormous value trapped inside Manitoba's vast collection of public sector data. Persistent recidivism and growing caseload volumes plague many of Manitoba's largest social programs. Volumes drive costs, and Data Analytics has the potential to uncover insights behind those drivers that has not been possible with traditional approaches. New insights can be integrated into program delivery processes to produce better program outcomes and improve Manitoba's overall financial sustainability.

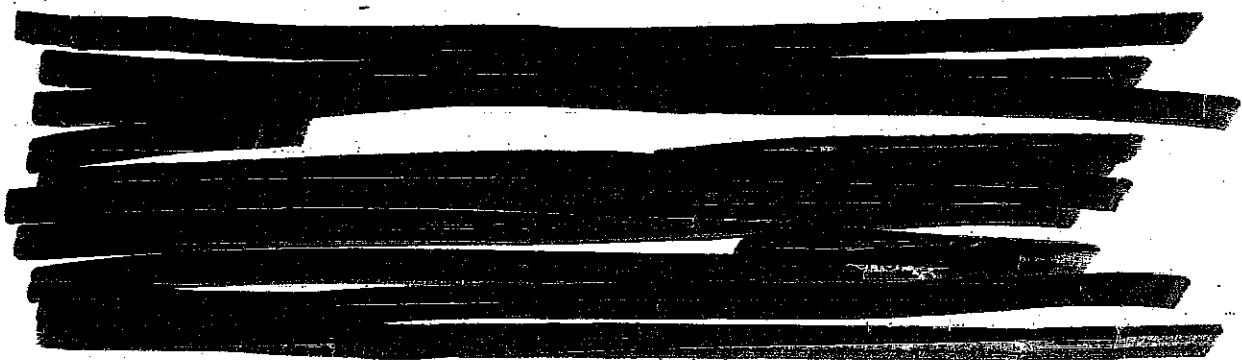
Background & Context:

- Social research scientists have long recognized the impact of multiple, interrelated and cumulative influences on social outcomes and overall wellbeing. Insights on these determinants are locked within the data stored within hundreds of systems across government. With the emergence of modern Data Analytics it is now possible to access all the data, explore the interrelationships and build data driven predictive models. These models allow program managers to better understand underlying causes and respond to individual needs. This enables the development of enhanced evidenced-based policy, improved or even personalized service delivery, and increased efficiency.
- Respecting and safeguarding the personal privacy of Manitobans is an imperative. The same Data Analytics technologies that hold so much potential can also put intense pressure on civil liberties. Enhanced privacy frameworks and supporting technologies can allow privacy and value realization to coexist.
- The scheduled review of Manitoba's privacy legislation in 2016 offers an opportunity to better align foundational legislation with Data Analytics (data aggregation, sharing and protection) practices.
- Manitoba is well placed to pursue public sector Data Analytics particularly with respect to the vast collection of Manitoba public sector data within the MCHP Population Health Research Data Repository at the University of Manitoba.

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Next Steps:

23(1)(a)



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23(1)(a)

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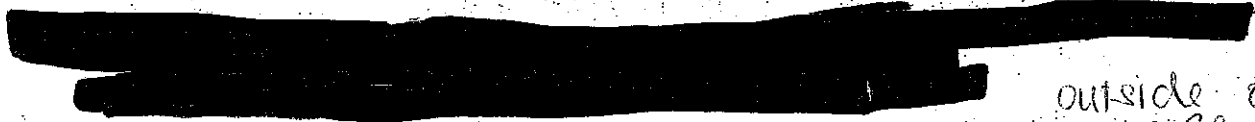
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Lead ADM : Craig Halwachs

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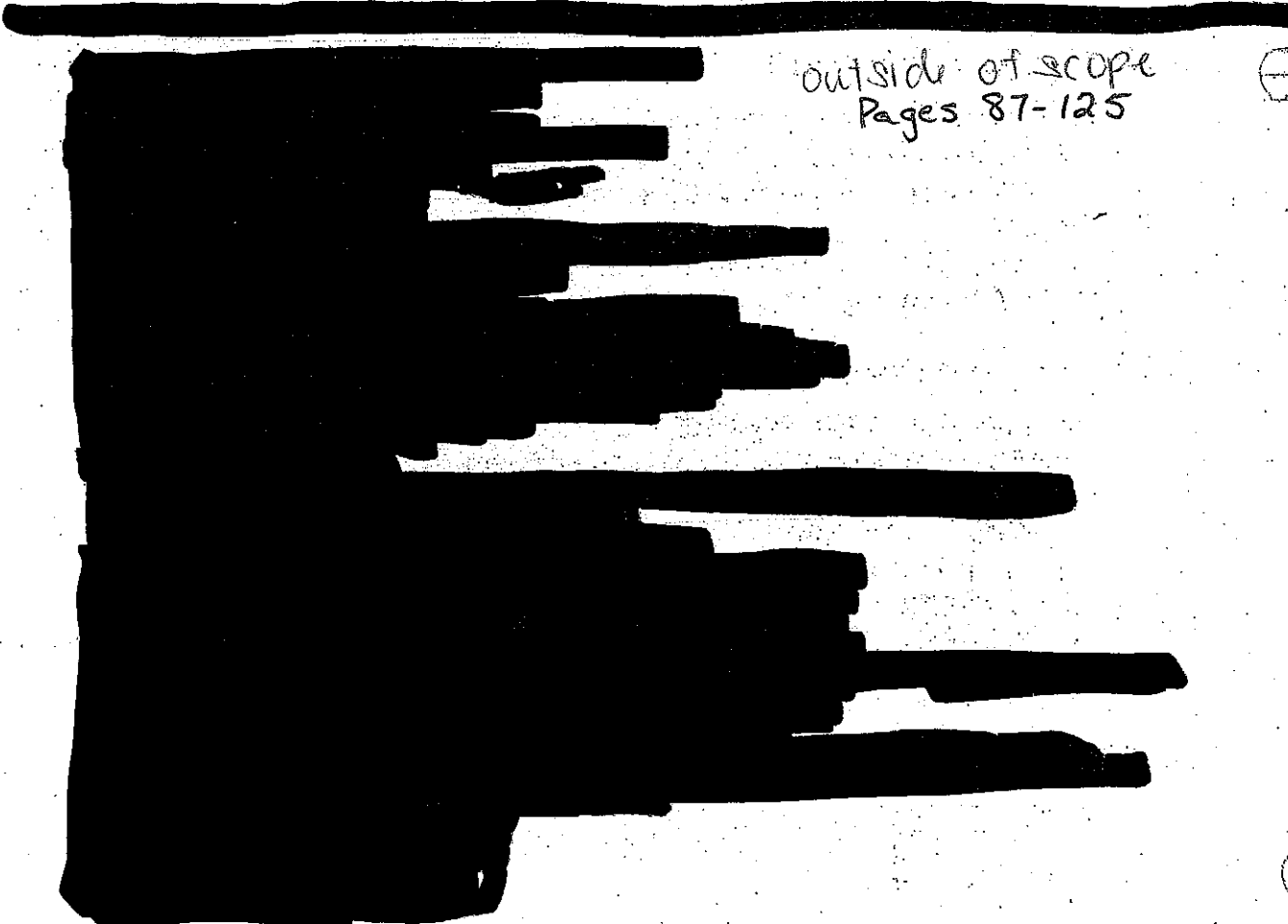
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**SUBJECT:**

Status of Internal Trade Negotiations

**ISSUE:**

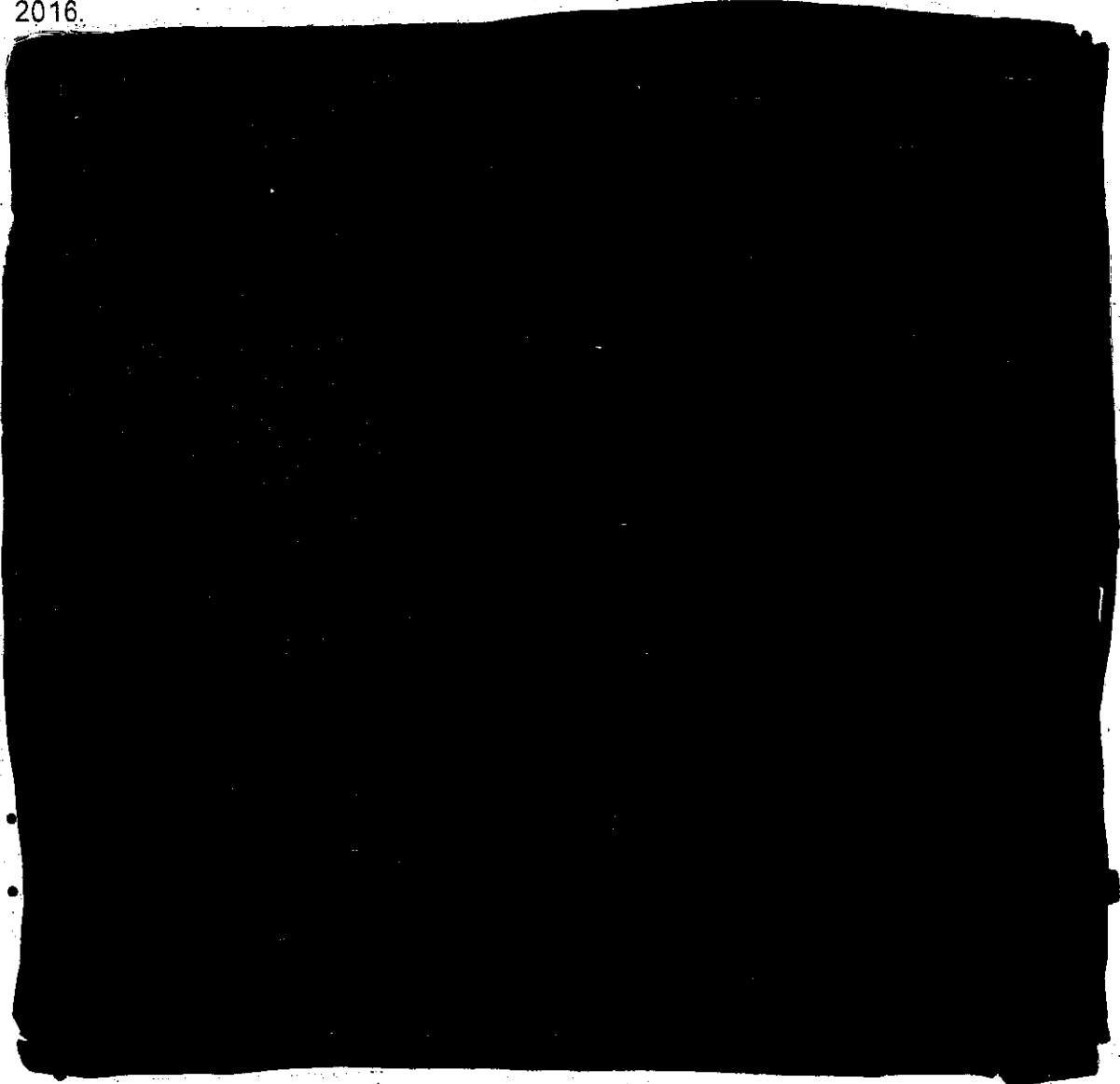
- Manitoba is participating in negotiations with the other governments in Canada on a comprehensive and ambitious renewal of the Agreement on Internal Trade (AIT) that provides more consistency with modern trade agreements. One of the goals is to ensure that Canadians are not disadvantaged relative to foreigners due to recent international agreements.
- A renewed Agreement would establish rules for free and open trade covering almost all of the Canadian economy, and would identify those areas either not covered by the agreement (common exceptions), and areas which individual Parties would like excluded (Party-Specific exceptions).
- Having failed to achieve the original deadline established by the Council of the Federation (March 2016), negotiations are now aiming to reach an Agreement-in-Principle by mid-to-late May, to enable a final agreement prior to the Council of Federation Summer Meeting on July 20-22, 2016.
- Parties have been requested to table a third round of "offers" (i.e. a list of Party-Specific exceptions) by April 26, 2016. This is to be followed by an officials' negotiating round the first week of May, and a ministerial meeting in mid-May.
- Given this timetable, Manitoba will need to confirm a negotiating mandate and approve a third Manitoba offer as quickly as possible in order for Manitoba to participate in finalizing the renewed Agreement on Internal Trade.

**CRITICAL BACKGROUND:**

- At the Summer 2014 Meeting of the Council of the Federation, Premiers committed to working toward an ambitious, balanced, and equitable agreement that levels the playing field for trade within Canada.
- Premiers agreed to undertake a comprehensive renewal of the AIT. The mandate given by a Steering Committee of four Premiers (MB, SK, NS and ON) calls for a comprehensive renewal of the Agreement that:
  - uses the existing Agreement as a foundation;
  - adjusts internal commitments to align with international commitments;
  - focuses on initial priority areas: government procurement, goods, services, investment, technical barriers to trade, and regulatory cooperation;
  - directs PTs to assess the results of early work to make a determination of how to proceed to address remaining areas;
  - where opportunities for apply a negative list approach makes sense, it should be considered; and
  - focuses on apprenticeship as an early priority on labour mobility.
- Ministers of Internal Trade have met in person three times and have held three conference calls to assess progress and provide direction on issues.



- Negotiators have held 18 negotiating rounds since December 2014 with regular intercessional conference calls to develop the obligations (rules) of the Agreement and exceptions to those rules (common for all Parties or specific to a Party).
- The negotiations have proven to be quite complex, involving the development of a new rules architecture for the agreement, the incorporation of new trade issues and the integration of existing comprehensive international and internal trade agreements with the existing Agreement on Internal Trade.
- Negotiators are now focused on finalizing the rules of the agreement, including rules dealing with regulatory reconciliation. Negotiators have also returned to their respective Cabinets (where necessary) in order to extend a third round of offers in two areas: services and investment, and government procurement by April 26, 2016.



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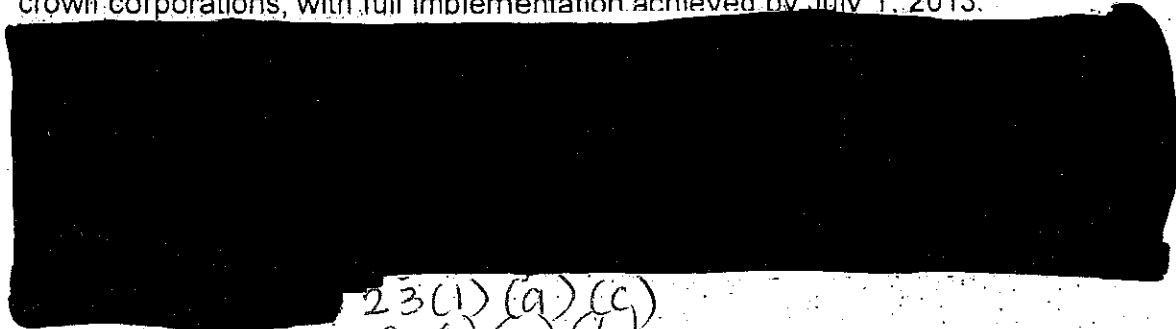
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**SUBJECT:**

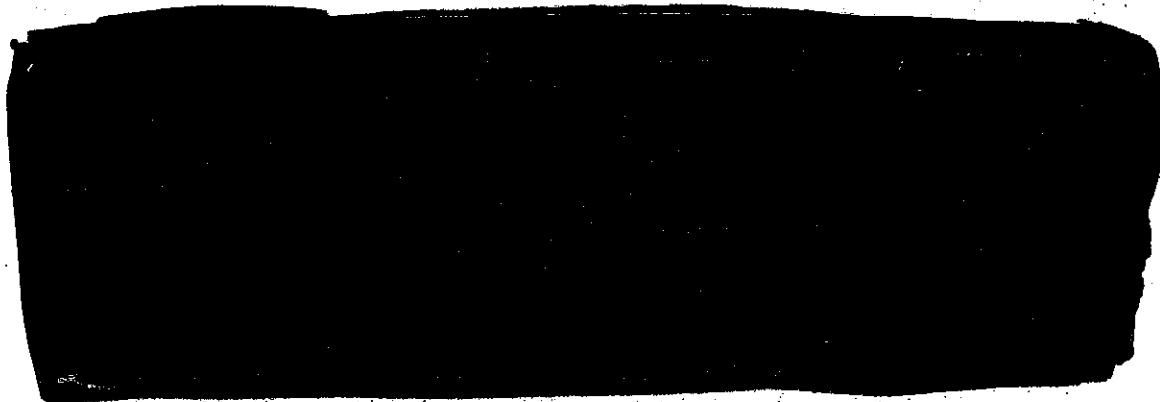
New West Partnership Trade Agreement

**ISSUE:**

- Manitoba is not currently a member of New West Partnership Trade Agreement (NWPTA).
- NWPTA came into effect on July 1, 2010. It built on the existing Trade, Investment and Labour Mobility Agreement between Alberta and BC by adding Saskatchewan.
- When Saskatchewan joined NWPTA, it negotiated transition periods for some areas of the agreement, such as application of the procurement provisions to crown corporations, with full implementation achieved by July 1, 2013.

**CRITICAL BACKGROUND:**

- The New West Partnership Agreement (NWP) between British Columbia, Alberta, and Saskatchewan, signed on April 30, 2010, essentially expands the former Alberta and B.C.'s Trade, Investment and Labour Mobility Agreement (TILMA) to include Saskatchewan.
- In addition to the New West Partnership Trade Agreement (NWPTA), the package of agreements signed in April 2010 also included:
  - A Framework Agreement;
  - An International Cooperation Agreement;
  - An Innovation Agreement; and
  - A Procurement Agreement.
- These additional elements of the NWP package expired in July 2015 and were not renewed.
- Under NWPTA, the participating provinces commit to full mutual recognition or reconciliation of their rules affecting trade, investment, or labour mobility to remove barriers to the free movement of goods, services, investment, and people within and between the three provinces.
- The agreement covers all public sector entities, including government ministries and their agencies, boards and commissions, Crown corporations, municipalities, school boards and publicly funded academic, health and social service organizations.



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**SUBJECT:**

Trans Pacific Partnership Agreement Negotiations (TPP)

**ISSUE:**

- TPP agreement was signed on February 4, 2016.
- The new federal government has stated that it will actively consult with interested Canadians before taking a firm position on the TPP. The Agreement cannot be implemented unless both the US and Japan ratify.
- Manitoba merchandise exports to TPP countries averaged \$9.3 billion annually from 2012 to 2014. The TPP will eliminate tariffs on almost all of Manitoba's key exports and provide access to new opportunities in the Asia-Pacific.
- There is strong support for the TPP in the Manitoba business community, particularly the export focused agri-food sector. Tariff reductions will also benefit industrial and forestry related exports.

**CRITICAL BACKGROUND:**

- The Trans-Pacific Partnership (TPP) is a free trade agreement that will liberalize trade in the Asia-Pacific region. The TPP represents a market of 800 million people and a combined GDP of \$28 trillion — close to 40% of the world economy.
- In addition to Canada, there are eleven other countries participating in the negotiations: Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam Mexico, Japan and the United States.
- On October 5, 2015, Canada and the other 11 countries of the TPP announced the successful conclusion the TPP negotiations.
- The Agreement was signed on February 4, 2016.
- The new federal government has stated that it will actively consult with interested Canadians before taking a firm position on the TPP. As part of a letter sent by Manitoba congratulating Minister Freeland on her appointment as Minister of International Trade, it was indicated that "Manitoba would welcome the

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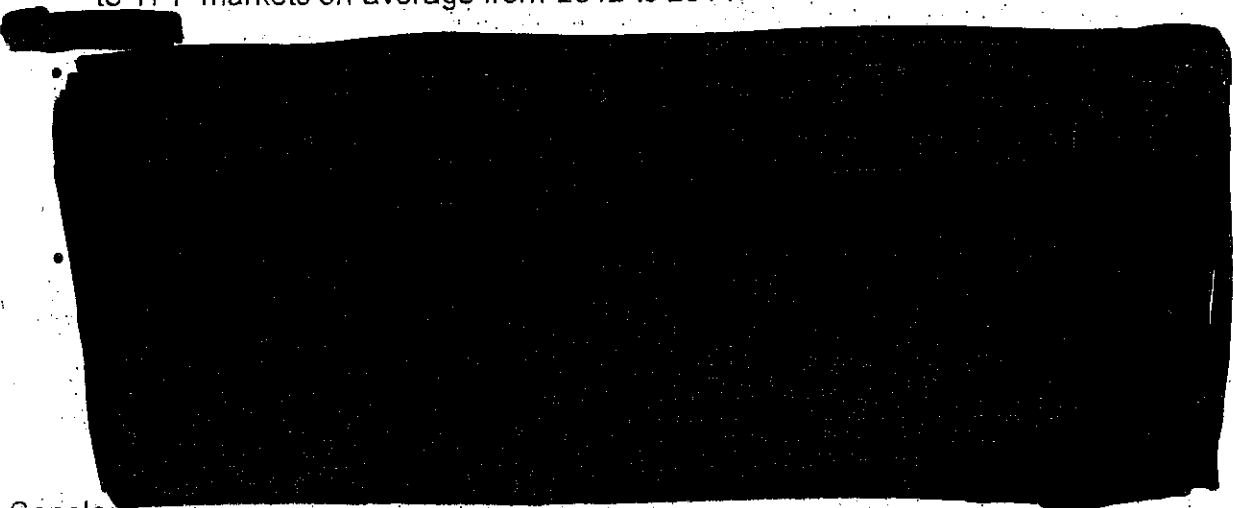
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opportunity to participate in whatever process is adopted by your government to conduct this consultation."

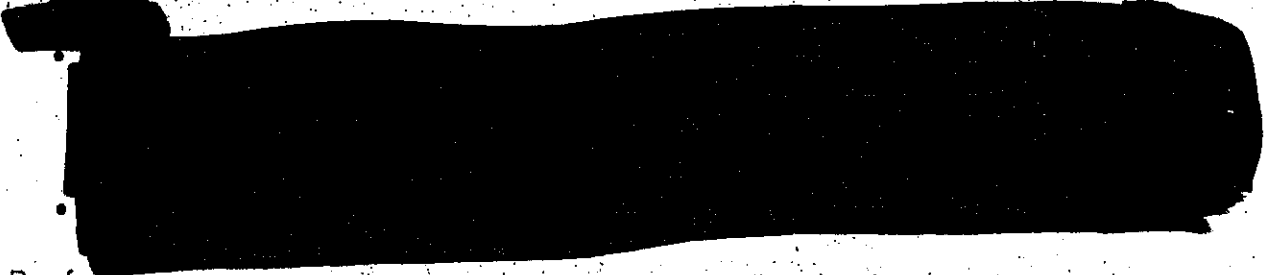
- Parliamentary Secretary to the Minister of International Trade, David Lametti was in Winnipeg on January 22, 2016 to consult on the TPP. He met with industry and privately with Manitoba government officials.

### ***Areas of Principal Export Interest for Manitoba***

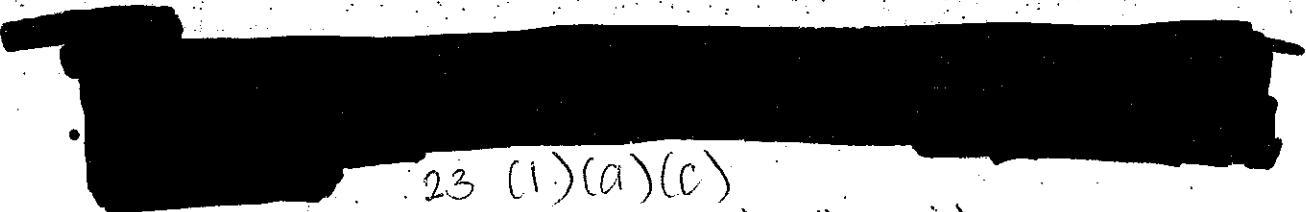
#### Pork:

- Manitoba exported over \$583.5 million worth of pork and pork products per year to TPP markets on average from 2012 to 2014.
- 

#### Canola:

- From 2012 to 2014, Manitoba's annual exports of canola oil to TPP countries were worth an average of \$376.4 million with a further \$353.6 million in canola seed exports.
  - The TPP will provide new opportunities for Canadian exports of canola oil and seed and will allow these products to compete on a level playing field with competitors (other canola producers and other oils) in key markets such as Japan and Vietnam.
- 

#### Beef:

- While Manitoba beef exports are limited, Manitoba cattle producers will benefit from tariff reductions on beef imports for Japan and Vietnam.
- 

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Barley:

- From 2012 to 2014, Manitoba's annual exports of barley to TPP countries was worth an average of \$23.7 million – 38.7% went to Japan.

Wheat:

- Japan - feed wheat will be duty-free, quota-free upon entry into force; existing mark-ups on food wheat will be reduced by 45 percent within eight years; Canada will also have access to a Canada-specific quota for food wheat which starts at 40,000 tonnes and grows to 53,000 tonnes within six years. Mark-ups within this country-specific quota will be reduced by between 45 and 50 percent.
- Vietnam - tariffs of up to 5 percent on all wheat will be eliminated upon entry into force.

Honey:

- From 2012 to 2014, Manitoba's annual exports of honey to TPP countries was worth an average of \$16.2 million – 15% went to Japan.
- Japan - tariffs of 25.5 percent will be eliminated within seven years, saving over \$600,000 in duties/year;
- Vietnam - tariffs of 10 percent will be eliminated upon entry into force.

Frozen French fries:

- From 2012 to 2014, Manitoba's annual exports of frozen French fries to TPP countries were worth an average of \$308.6 million. While the vast majority was shipped duty free to the US and Mexico, close to 5% of sales were also made to Japan, Australia and New Zealand. Duties of up to \$150,000/year will be eliminated when the TPP is fully implemented.

Industrial goods:

- From 2012 to 2014, Manitoba's exports of industrial goods to TPP countries were worth an annual average of \$5.6 billion. Under the TPP, the majority of Canadian industrial goods exported to TPP countries will be duty-free immediately upon entry into force. With certain exceptions, the TPP will eliminate the majority of remaining tariffs on industrial goods within 10 years. This will create market access opportunities for Manitoba's exporters across a number of industries.
- Tariffs will be eliminated for Manitoba's mineral and metal exports, chemical and plastic exports, wood, pulp and paper exports and fish exports. In particular, duties of over \$1 million/year will be eliminated on Manitoba nickel exports.

**Manitoba/Canada Sensitivities**

Supply Management:



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- Milk protein concentrates (MPC) from TPP countries will have duty free quota free access to Canada. The US, the largest source of Canadian MPC imports, has duty free, quota free access to Canada for MPCs under the NAFTA.
- Cheese compositional standards, introduced by the Government of Canada in 2008, have been maintained. The federal government has committed to ensuring they are enforced.
- New access to the US and Mexico will provide export opportunities for supply managed commodities.
- While compensation package has been announced, it is unclear if the new government will support the package.

Health and Social Services:

- The TPP includes the same unbound reservation Canada has in all its free trade agreements covering health and social services to carve out this sector.

Pharmaceuticals:

- CETA outcomes will address any TPP commitments in the area of patent term extension, data protection and patent linkage.
- No obligations with respect to a national pharmacare program, or provincial bulk buying programs.
- Canada will be taking on new commitments in the area of patent term adjustment (extension of patent terms as a result of delays in processing within a patent office – as opposed to patent term extension that deals with delays related to market authorization).

State Owned Enterprises (SOEs):

- Provincial/Territorial SOEs are not covered by the TPP beyond existing WTO and FTA commitments with the exception of a transparency clause that requires SOEs to provide information on operations on request.

Government Procurement:

- Manitoba's offer is consistent with coverage provided under the WTO Government Procurement Agreement (GPA) and is less than under the CETA. Coverage is at the provincial level only (no municipalities or crown corporations) and thresholds are the same as the WTO GPA. The WTO GPA regional economic development and aboriginal exceptions have been maintained.

Culture:

- Consistent with the approach taken in our free trade agreement with the European Union, Canada has achieved protected cultural objectives through a targeted approach where exceptions for culture are included in specific chapters that could have an impact on our ability to make cultural policies.

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23 (1) (a) (c)

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21 (1) (a) (b)

**SUBJECT:**

Canada/South Korea Free Trade Agreement

**ISSUE:**

- The Canada/Korea Free Trade Agreement (CKFTA) entered into force on January 1, 2015.
- This agreement is Canada's first free trade agreement in the Asia-Pacific region and provides new access for Canadian businesses and workers to the world's 15th-largest economy (fourth-largest in Asia).
- Over time, the CKFTA will allow Canadian exporters to catch up to their US competitors, who received a head start into this market by virtue of the earlier introduction of the US free trade agreement with South Korea (KORUS). A lower Canadian dollar relative to the US should assist Canadian exporters in addressing any tariff differences relating to the delayed conclusion of the CKFTA.
- Manitoba exports to Korea were C\$66.7 million in 2015, down from C\$80.8 million in 2014, and well below the peak of C\$224.9 million in 2011.
- Manitoba's top 5 exports in 2015 were nickel, pork, wheat, copper and turbo engines.

**CRITICAL BACKGROUND:**

- On July 15, 2005, the Canadian and Korean trade ministers formally announced the launch of bilateral free trade negotiations.
- Considerable progress was made until 2008 when negotiations broke down over a small list of sensitive issues [REDACTED]
- The conclusion and implementation of the Korea-EU (2011) and Korea-US (2012) FTAs created pressure on Canada to step up efforts to conclude its negotiations with Korea to ensure that Canadian exporters were not placed at a market access disadvantage vis-a-vis competitors in the EU and the US (as well as Chile, which also has an FTA with South Korea). For Manitoba, early conclusion of an agreement was critical to allow Manitoba pork exporters to compete for market share in South Korea.
- [REDACTED]
- Key outcomes are commensurate with terms previously available only to the US and the EU.
  - Immediate duty free for Canadian exports on 82% of Canadian trade.
  - Duty free on 98% of Canadian trade after 5 years.
  - Duty free on 86.8% of agriculture tariff lines currently facing duties averaging 52.7% in 2012.

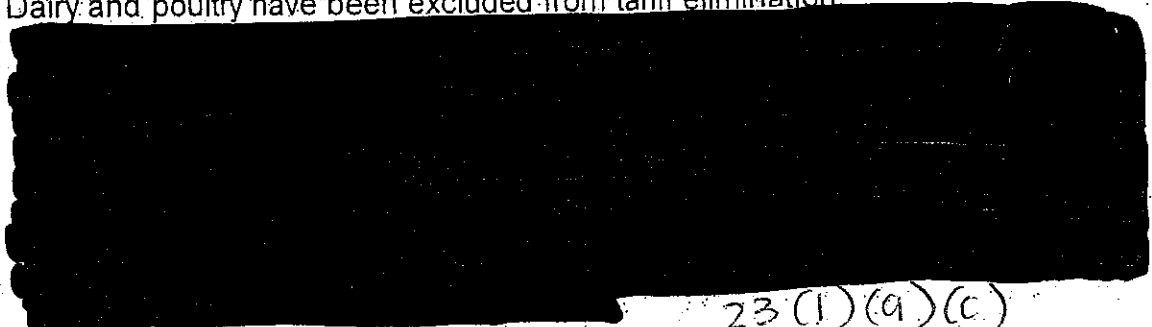
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21 (1) (a) (b)



- KORUS-parity for beef (i.e. the same terms for Canada as provided to the US)
- KORUS-parity for frozen pork, (more than 70% of Canada's current exports)
- 13 year phase out (instead of KORUS's 10 year phase out) - on fresh/chilled pork products (1/4 of our exports).
- Duty free from a current rate of 5% on refined and crude canola oil after 3 and 7 years respectively.
- Duty free wheat from a current rate of up to 3%
- Duty free oats and oat seed from a current rate of up to 554.8%.
- Duty free frozen potato products (including frozen French fries), from a current rate of 18%.
- Duty free nickel powder/flakes from a current rate of up to 8%
- Fish/Seafood – Immediate duty free -100% of tariff lines (better than US/EU).
- Forestry – Immediate duty free on 80% of tariff lines, 100% after phase-out.
- Aerospace – Elimination of 8% duty
- Industrial Machinery - Elimination of up to 13% duty.
- Autos – Tariff elimination, regulatory standards and rules of origin that are commensurate with KORUS and better than EU.
- Services and investment reservations at sub-national level are not required as Korea has accepted grandfathering of all P/T measures. Coverage achieves KORUS-parity in areas such as professional services (e.g. foreign legal consultancy services, commercial education and training, research and development), environmental services, and business services.
- Temporary-entry commitments under the CKFTA are more ambitious than any of South Korea's other free trade agreements.
- Dairy and poultry have been excluded from tariff elimination



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23 (1) (a) (c)  
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 21 (1) (a) (b)

**SUBJECT:**

Canada–India Comprehensive Economic Partnership Agreement (CEPA)

**ISSUE:**

- Manitoba supports the negotiation of a Comprehensive Economic Partnership Agreement (CEPA) with India.
- Now one of the fastest-growing economies on the planet, India is projected to be the world's third largest economy by 2050. India's growing population, rising per capita income levels, rapidly expanding manufacturing, high-technology and services sectors, and the associated infrastructure and natural resources requirements make it a tremendous market of opportunity for Canadian companies.
- In 2015 Manitoba's total trade with India was \$145.2 million. Manitoba's exports to India totalled \$47.9 million in 2014. Leading domestic exports included unwrought nickel, dried peas, magnetic/optical readers, machinery for grading/levelling and machinery/equipment for dryers/heaters. Manitoba's imports from India totalled \$66.8 million in 2014. Leading imports were jewellery, pesticides, medicines, chemical compounds, and machinery parts.

[REDACTED]

**CRITICAL BACKGROUND:**

- Manitoba wrote to the federal government in support of initiating negotiations toward a Comprehensive Economic Partnership Agreement (CEPA) with India. Negotiations with India were launched on November 16, 2010. The Agreement has the potential to boost Canada's economy by an estimated \$6 to \$15 billion and increase bilateral trade by 50%.

[REDACTED]

Manitoba has provided federal negotiators with background information on our current activities and interests in the Indian market.

[REDACTED]

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- Canada and India have concluded 9 rounds of negotiations and made some progress.



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23 (i) (a) (c)  
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2 (i) (a)

**SUBJECT:**

Canada-European Union Comprehensive Economic and Trade Agreement (CETA)

**ISSUE:**

- The CETA achieves Manitoba's key market access objectives and protects our defensive concerns. With a population of almost 500 million people, the EU is larger than Canada's main trading partner, the United States.
- The CETA will help Canada to more strategically focus, transform and diversify both our economy and trade in the long-term. Export focused agriculture producer groups in Manitoba, such as those representing beef, pork, canola and wheat, support the CETA.
- On Monday, February 29, 2016 Canada/EU Ministers Freeland and Malmstrom jointly announced agreement on outstanding investment chapter issues and completion of the legal review of the CETA text. The reviewed text has been released publicly, including the revised Investment Chapter.



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- Translation of the CETA text into the 22 EU languages is expected to be completed by May 2016. Canada and the EU are continuing the steps necessary to bring policies, regulations and legislation into conformity with the obligations under CETA and it is expected that the Agreement will proceed to ratification and implementation early in 2017.

**CRITICAL BACKGROUND:**

- Canada and the European Union agreed on May 6, 2009 to launch negotiations for a Comprehensive Economic and Trade Agreement (CETA). With a population of almost 500 million people, the EU is larger than Canada's main trading partner, the United States. The CETA will help Canada to more strategically focus, transform and diversify both our economy and trade in the long-term.
- Provincial and territorial governments fully participated in negotiations on issues under exclusive or shared jurisdiction. During the negotiations, there was close communication between federal, provincial and territorial officials before and after each negotiating session with the European Commission.
- On October 18, 2013, after all Canadian provinces had signaled political support, Prime Minister Harper and EU President Barossa announced an "Agreement in Principle" (AIP) for the CETA. The negotiated (but not legally reviewed) CETA text was released to the public on September 26, 2014.

- The new federal government is committed to the timely implementation of the CETA and is considering compensation to affected sectors. The specific form of compensation to industries and/or P/Ts will be determined through consultations. No time frames are yet available for this consultation process.
- [REDACTED] Manitoba noted that a timely ratification and implementation of the CETA is important as "the benefits of early preferred access to the EU will be lost if other countries are able to conclude and ratify their own agreements with the EU while the CETA is delayed."
- The final CETA protects Manitoba's key defensive concerns and achieves our offensive interests. [REDACTED]
- Expanded access for EU cheese has created concern for Canada's dairy industry. This has been exacerbated by the potential for expanded access for dairy products should the recently concluded Trans Pacific Partnership Agreement be ratified. Under the previous federal government, officials had committed to compensation to dairy/cheese industry and extensive consultation with Canada industry on quota allocation.
- Other issues of concern include the extension of pharmaceutical patent protection when the application process is delayed beyond 5 years. [REDACTED]
- In an effort to address EU concerns regarding ISDS, Canada and the EU agreed to changes to the CETA Investment Chapter after formal negotiations had concluded. These changes include:
  - re-affirming the "right to regulate" in the Investment Chapter;
  - clarification that loss of profit from new regulations does not justify an ISDS claim;
  - discontinuation or request for reimbursement of a subsidy declared illegal by a competent court does not constitute a breach of CETA's investment chapter;
  - clarification that differences in the treatment of certain investors during a debt crisis does not constitute a breach of the non-discrimination obligations under CETA;
  - clarification that tribunals do not have jurisdiction to determine the legality of measures under domestic law, and that a tribunal's interpretation of domestic law is not binding upon domestic courts or authorities;
  - changes to Tribunal process;
    - 3 person Tribunals will be constituted from a pre-determined roster of 15 individuals appointed by Canada and the EU;
    - Only Canada and the EU will select Tribunal members from the roster – investors will have no say in selection of arbitrars;

23 (1)(a)(c)  
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 21 (1)(a)

- members of the tribunal will be prohibited from acting as counsel or as a party-appointed expert or witness in any pending or new investment dispute under CETA or any other international agreement;
- An appellate mechanism will be negotiated between Canada and the EU;
- Canada and the EU will work toward a multilateral investment tribunal; and
- future improvements to the chapter may be incorporated in light of experience and developments in other international forums and under other international agreements.

### Highlights

- Overall the CETA meets the objective of an ambitious agreement related to trade in goods, with 98% of tariff lines moving to duty free upon implementation of the agreement and 99% duty free 7 years after implementation. Currently only 25% of EU tariff lines are duty free. For industrial goods, 99.3% of EU tariff lines - accounting for 99.1% of imports from Canada in this sector - will go to zero immediately, with 100% duty free 7 years after entry into force.
- The EU is Canada's second largest market for trade in services (tourism, transportation, insurance, financial, and commercial services). The CETA will provide Canada the best services access to the EU of any EU trading partner. Broad coverage is provided across all sectors including areas of interest to Manitoba such as engineering, architecture, finance, new media and business services. Federal studies suggest that CETA may expand Manitoba service exports by approximately 14% or \$65 million/year.
- There is strong support in the Manitoba business and agriculture community for the CETA.

### Areas of Principal Export Interest for Manitoba

#### Pork:

- The EU will provide new duty-free access for 80,549 tonnes carcass weight equivalent (cwe) that will be accessible to the industry.

#### Beef:

- The EU will provide new duty-free access for approximately 35,000 tonnes cwe of fresh beef and immediate duty-free access to a 14,950 tonnes quota (currently with a 20% duty) that is shared with the US. This volume of access for fresh beef, the safeguards negotiated with respect to tariff rate quota (TRQ) administration and commitments to adjust non-tariff trade barriers is sufficient for the Canadian beef industry to make the adjustments necessary to access the EU market and voice their support for the agreement.

#### Canola:

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 28 (1)(c)(i)(ii)(iii)  
 21 (1)(a)

- The EU will remove its 3.5% duty on canola oil. This will assist the industry securing a greater share of a growing biodiesel market in the EU.
- A side letter has been developed and signed to continue work related to genetically modified organism (GMO) traits.

Other tariffs on agricultural goods being phased-out:

- immediate duty free quota of 3000 tonnes cwe specific to bison meat;
- immediate duty-free treatment for frozen peas, frozen French fries, frozen potato products, potato chips, frozen blueberries, frozen Saskatoon berries, maple syrup, sweetened, dried cranberries and cranberry juice and processed products such as dog and cat food, dried/smoked/cured boneless pork, pork sausages and other processed pork and most food preparations;
- Seven-year phase-outs for durum, high and low quality common wheat, rye, oats and barley.

Fish:

- Manitoba's freshwater fish exports will benefit from immediate tariff elimination. It is estimated that Manitoba's freshwater fish industry pays an average of \$640,000/year in duties on exports to the EU (at average tariff rates of approximately 8%).

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23 (1)(a)(c)

28 (1)(c)(i)(ii)(iii)

**SUBJECT:**

Negotiating a new Canada/US Softwood Lumber Agreement (SLA)

**ISSUE:**

- Softwood lumber exports from Canada to the United States have been a longstanding trade issue. US lumber producers obtain their wood largely from private wood lots where they pay market determined stumpage charges. In Canada, lumber producers obtain their wood supply largely from Crown lands where they pay government-determined stumpage charges. For over 30 years the US has alleged that Canadian stumpage charges are below "market" rates and provide the Canadian industry with an illegal subsidy. Faced with a series of countervailing duty actions in the US, Canada has negotiated agreements to "manage" trade in softwood lumber by voluntarily imposing export taxes and/or quota restraints on trade.

**CRITICAL BACKGROUND:**

- The 2006 Softwood Lumber Agreement (SLA) entered into effect on October 12, 2006 (following a May 2001 countervail action) and expired October 15, 2015 (after a 2 year extension). Canadian and Manitoba industry were interested in a further extension of the 2006 SLA, but US industry indicated that the former agreement did not meet their needs and the Agreement expired.
- The 2006 agreement established a predictable trade environment for Canadian producers, replacing U.S. lumber import duties with a Canadian export tax, and for some provinces a combination of set quotas and a lower border tax. The agreement required provinces to choose between two different border measure regimes: (A) an export tax that varies between 0%, 5%, 10% and 15%; and (B) an export tax that varies between 0%, 2.5%, 3% and 5% combined with a hard cap (i.e. quota limit) on exports. [REDACTED]. In each case the tax rates (and volume restraints) were tied to average U.S. lumber prices.
- As per the terms of the 2006 SLA, Canada and the US are currently in a free trade and "standstill" period where the US has agreed not to launch any trade remedy action for 1 year after the SLA expired (i.e. the "standstill" expires October 2016). If no other SLA is negotiated, it can be expected that the US will launch an investigation into Canadian exports to the US very shortly after the standstill period expires.
- [REDACTED]
- This process became formalized when Prime Minister Trudeau and President Obama agreed to an action plan on softwood lumber during Trudeau's visit to Washington in March, 2016. The Leaders agreed that Ministers will intensively

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explore all options with respect to a new SLA and report back within 100 days (approximately June 18) on the key features that would address this issue.

- [REDACTED]
- At the present time, Manitoba's softwood lumber exports to the US are very limited.

[REDACTED]

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21 (1) (a)

**SUBJECT:**

Overview of Manitoba's Labour Market

**ISSUE:**

- Manitoba's diverse economy and growing population base support a strong economic performance. While labour supply and demand are forecasted to remain balanced over the next 10 years, shortages are expected in specific occupations and regions of the province.

**CRITICAL BACKGROUND:**

- The Manitoba Bureau of Statistics (MBS) estimates that the Manitoba economy grew 2.1% in 2015, compared to 1.1% in 2014. Manitoba's diversified industry sectors and population growth have provided the basis for steadfast performance by the province's economy. Manitoba's economic diversity enabled the province to maintain resilience in 2009, when most resource based provinces recorded major declines during the global economic downturn.
- In the last 10 years (between 2006 and 2015), Manitoba's employment and labour force have grown at an average annual rate of approximately 1.0%. The average participation rate was 68.8%, 2.0 percentage points above the average participation rate for Canada and 1.2 percentage points higher than the average Manitoba participation rate over the previous decade. The employment rate averaged 65.3%, 1.6 percentage points higher than the previous ten year period.

***Manitoba's labour force activity:***

- Over the past five years, the population of Manitobans aged 15 years and over increased by 47,600 persons or 5.1%. The labour force increased at a slower rate due to declining labour force participation rates. Between 2011 and 2015, Manitoba's labour force increased by 26,700 persons or 4.1% (from 647,700 workers in 2011 to 674,400 in 2015).
- Between 2011 and 2015, Manitoba's labour force participation rate decreased from 68.9% to 68.3%. In 2015, Manitoba's participation rate was ranked third among provinces and was above Canada's rate of 65.8%. In fact, over the last 10 years, on average, Manitoba's participation rate has been 2.0 percentage points above that of Canada. (average MB part rate for last 10 years 68.8%).
- On an average annual basis, 636,200 workers were employed in Manitoba in 2015. While 471,200 persons worked in the private sector, 165,000 worked in the public sector. The private sector, which accounts for 74.1% of all jobs in the province, was responsible for most of the gains in employment, adding 20,000 new jobs in the last five years. Employment in the public sector increased by 4,500, resulting in a total net employment increase of 24,500 jobs (4.0%) over the last five years.

**SUBJECT:**

Manitoba Labour Mobility

**ISSUE:**

- Manitoba is committed to ensuring certified workers can enjoy the benefits of labour mobility across Canada. This commitment is underlined by the proclamation and Royal Assent of The Labour Mobility Act in 2009. Manitoba continues its active participation in the Labour Mobility Coordinating Group (LMCG) to ensure labour mobility obligations are met across the country and Chapter 7 of the Agreement on Internal Trade (AIT) is implemented in a coordinated manner.

**CRITICAL BACKGROUND:**

- The Labour Mobility Coordinating Group (LMCG) is a working group of the Forum of Labour Market Ministers (FLMM) and is the national committee of officials responsible for coordination of the implementation of Chapter 7 (Labour Mobility) of the Agreement on Internal Trade across Canada.
- Labour Market Ministers, at their July 11, 2014 meeting, agreed that LMCG should collaborate to "provide Canadians with more information about labour mobility, including online". The LMCG has engaged a consultant to develop a communication plan to reach specific audiences including workers, regulators, stakeholders and employers. The LMCG is also revising its existing website with plain language to make it more user-friendly. The LMCG plans to launch the new website by summer 2016.
- LMCG continues to work on several activities to support the implementation and a common understanding of Chapter 7 across Canada. The LMCG also monitors the effectiveness of the Chapter and reports on this annually to the Committee on Internal Trade.

***Exceptions to labour mobility that Manitoba maintains***

- To date, out of over 280 regulated occupations in Manitoba, the Department of Jobs and the Economy has approved recommendations from departments to maintain 3 exceptions to full labour mobility for the following occupations: Lawyers (to address common law vs. civil law differences); Licensed Practical Nurses (to address competency requirements in physical assessment and infusion therapy, including initiation and medication administration in all practice settings); and Midwives (to address competency requirements in prescribing antibiotics and contraceptives, infant intubation and umbilical catheterization).
- Manitoba's exceptions, and the exceptions approved by most other jurisdictions, have not been updated since 2009.

[REDACTED]

[REDACTED] Law Societies in Canada have now agreed to a national mobility agreement which goes beyond the

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obligations of Chapter 7. The Agreement will come into effect once implemented by all jurisdictions.

- Jobs and the Economy continues to work with Manitoba Health and The College of Licensed Practical Nurses of Manitoba and The College of Midwives of Manitoba to update the exceptions for Licensed Practical Nurse and Midwives.

Updates related to these occupations have been delayed as Health works to bring all regulated health occupations under The Regulated Health Professions Act (RHPA). Bringing regulated health occupations under the RHPA has the potential to change the current scope of practice and occupational standards, which would impact the exceptions.

- When complete, the update will ensure that all information contained in the public notice is up-to-date, accurate, and is still required.

#### ***Comprehensive re-negotiation of the Agreement on Internal Trade (AIT)***

- Premiers, at the Summer Meeting of the Council of the Federation (August 25-30, 2014) provided a news release giving direction to PT Internal trade Ministers on renegotiating the Agreement on Internal Trade and confirmed their collective desire to demonstrate leadership on this issue. A Steering Committee of Premiers Selinger, Wall, McNeil and Wynne has been established to lead provincial and territorial ministers in the comprehensive renewal of the AIT.

Negotiations of a renewed overall agreement on internal trade are expected to be complete by March 2016.

In July 2015 Premiers signed a protocol that will facilitate mobility of apprentices across Canada. The protocol and accompanying agreement entered into force on January 1, 2016 and enables mutual recognition of technical training, work experience and examination results for apprentices moving between provinces and territories in Canada, either permanently or temporarily. Apprentices are not considered regulated in the context of Chapter 7. The obligations of Chapter 7, to ensure full labour mobility for regulated workers in Canada, do not currently apply to apprentices.

- Given that Chapter 7 underwent significant amendments in 2009, and that Parties consider the Chapter to be generally working well, comprehensive changes to the Chapter 7 (labour mobility) obligations are not anticipated.

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[REDACTED]

Disputes under Chapter 7 are currently subject to the dispute resolution process of Chapter 17 of the AIT. There have been two dispute resolution panels regarding labour mobility since 2009 (Accountants and Crane Operators).

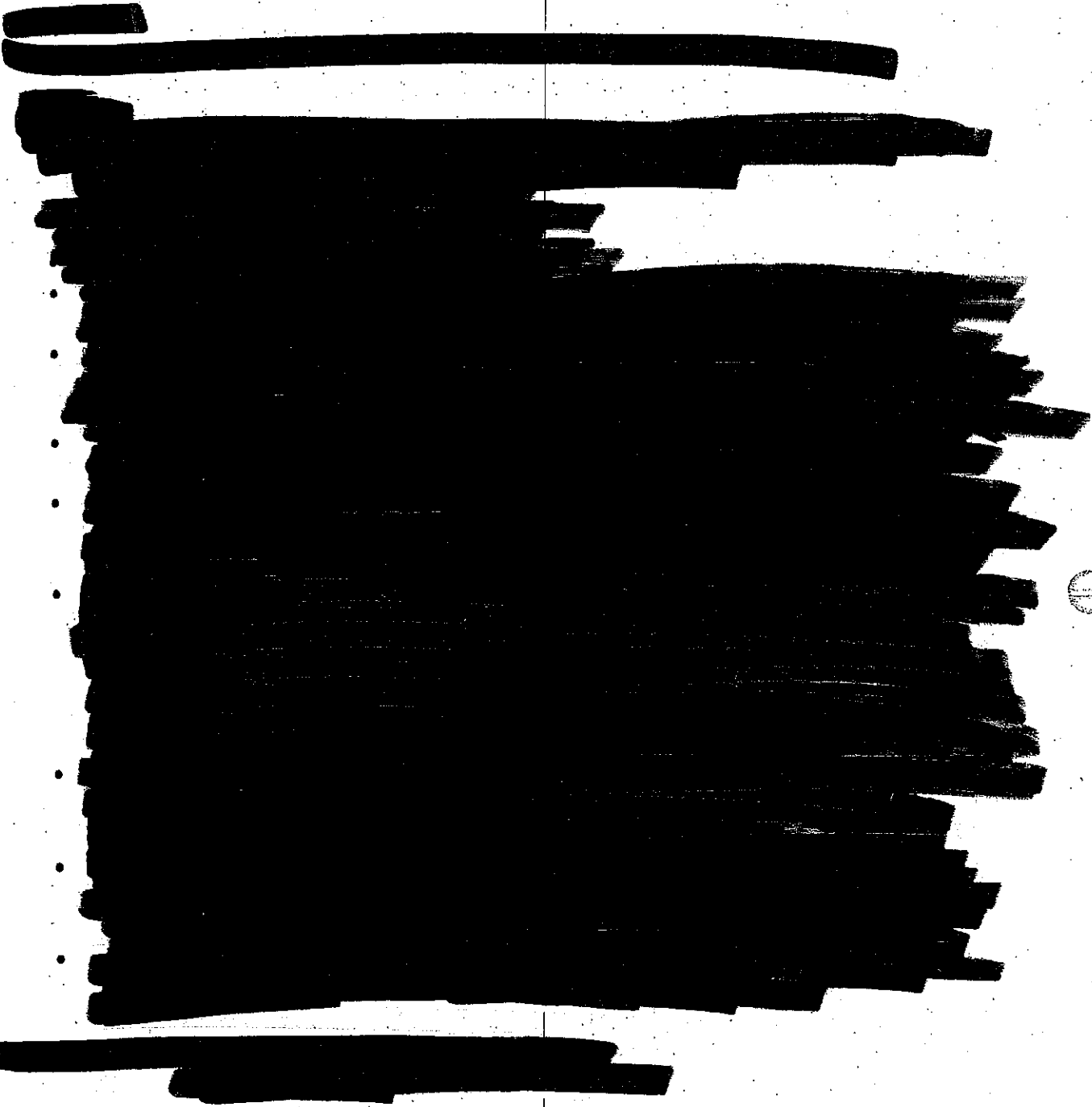
[REDACTED]

#### CRITICAL BACKGROUND:

- Amendments to Chapter 7 (Labour Mobility) of the Agreement on Internal Trade (AIT) were approved by the Forum of Labour Market Ministers (FLMM) and Internal Trade Ministers in December 2008. The Chapter was ratified (by signature) by all Parties and officially entered into force on August 11, 2009. In 2010, Premiers and Ministers responsible agreed to ensure full labour mobility for regulated financial sector occupations (the only occupations excluded from Chapter 7 obligations).
- Chapter 7 obligations apply to all workers in regulated occupations in Canada. The amended Chapter 7 ensures that any worker certified for an occupation in one province/territory will be certified in that occupation by all other provinces/territories. Any exceptions must be clearly justified as required to meet a legitimate objective (i.e. protection of health and safety) and must be approved by the government maintaining it.
- For Manitoba, the proclamation and Royal Assent of The Labour Mobility Act on June 11, 2009 underlines Manitoba's commitment to full labour mobility in Canada and ensures that all Manitoba regulatory authorities are compliant with the obligations of Chapter 7 of the AIT. Manitoba was the first jurisdiction in Canada to proclaim labour mobility legislation.
- The Committee on Internal Trade supervises the implementation of the AIT in its entirety, while the FLMM is specifically responsible for coordinating implementation of Chapter 7. A standing committee of federal-provincial/territorial officials, the Labour Mobility Coordinating Group (LMCG), assists in carrying out the FLMM's obligations to coordinate the implementation.

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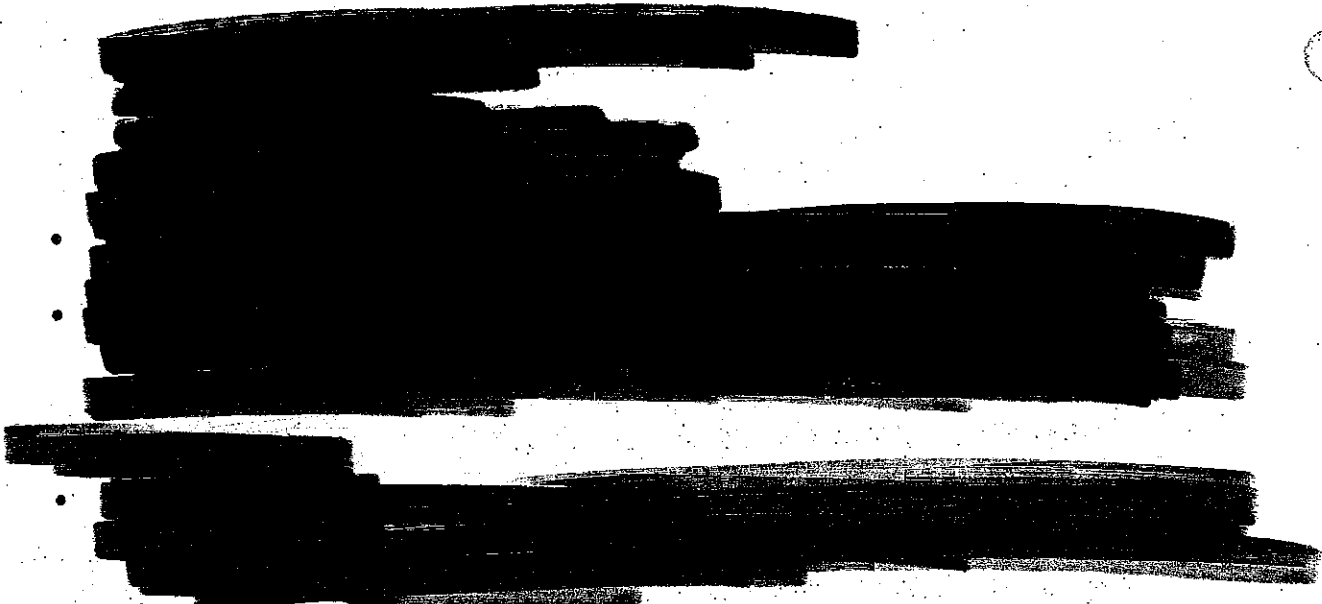


OUTSIDE OF SCOPE

SUBJECT:  
Economic Development Initiatives (EDI)

[REDACTED]

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**SUBJECT:**

New West Partnership – Corporate Registrations

**ISSUE:**

- Ongoing activities to reconcile corporate registration filings.

**CRITICAL BACKGROUND:**

- Article 11.1(a) of the New West Partnership Agreement provides:
  - "Parties shall reconcile their business registration and reporting requirements so that an enterprise meeting such requirements of one Party shall be deemed to have met those of all other Parties."
- This provision pertains to corporations which carry on business in multiple provinces, who have traditionally had to make filings in each province in order to maintain their registration status. The goal is to lessen or eliminate repetitive filings among the jurisdictions.
- Currently, pursuant to the national Agreement on Internal Trade ("AIT"), F/P/T representatives from all Canadian jurisdictions (including B.C., Alberta and Saskatchewan) are working on a national approach to this issue. [REDACTED]

[REDACTED]  
Jurisdictions are working toward a 'data exchange' model that would lessen the information requirements placed on these corporations. [REDACTED]

[REDACTED]  
Concrete conclusions are hoped for in a 2017 time frame (it would likely take longer to implement any changes).

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DUPLICATE SEE PAGE 45  
MINISTERIAL BRIEFING

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DUPLICATE SEE PAGE 49  
MINISTERIAL BRIEFING

[REDACTED]

## Jobs and the Economy – Entrepreneurship Manitoba

**SUBJECT:**

Red Tape Reduction

**ISSUE:**

- Red tape reduction is one of the priorities of the Government of Manitoba.
- By leveraging its strong working relationships with the Manitoba Employers Council, the Canadian Federation of Independent Business and other business groups, Manitoba has undertaken a number of initiatives to reduce red tape, focusing primarily on service-based initiatives including online services and service centres.

**CRITICAL BACKGROUND:**

- Establishing a Red Tape Reduction Task Force is one of the 15 priorities the Government committed to implement in the first 100 days of taking office.
- As noted in the government's *"The Regulatory Accountability and Transparency Act"*, unnecessary red tape and regulations create additional costs to businesses, non-profit organizations and private citizens in their dealings with government.
- The Act stipulates the government will establish a baseline measurement of current number of regulations, develop policy related to proposals for new regulations, require that departmental regulatory reform plans be prepared by all departments, and request that regulatory reform progress reports be submitted annually by each Minister.
- Entrepreneurship Manitoba (EMB) is working to improve service delivery and reduce red tape for businesses and entrepreneurs by providing a single window for clients to access the programs and services they require to build their businesses and create jobs.
- EMB participates on the FPT Committee on Regulatory Governance and Reform, which shares critical information and best practices in reducing red tape. EMB co-leads the pan-Canadian Expedited Business Start project which aims to cut red tape and make it easier and faster to start a business.
- Once the government's priority red tape initiatives are successfully implemented, it is expected that Manitoba's grade in CFIB's Annual Red Tape Report Card will be greatly improved.

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**SUBJECT:**

Manitoba Innovation Strategy

**ISSUE:**

- Need for renewed innovation leadership by government, and a strategy to develop a more collaborative environment for innovation to thrive in the province.

**CRITICAL BACKGROUND:*****Rationale for the 2014 Innovation Strategy***

- Two recent reviews of Manitoba's innovation landscape (BRAID and PEAC) have reinforced the need for renewed innovation leadership by government and a strategy to develop a more collaborative environment for innovation to thrive in the province.
- The Manitoba government has signalled its support for innovation in past budgets and committed in the 2013 Throne Speech to "...focus on the importance of innovation and commercialization of new ideas, products and business processes in making Manitoba competitive on the world stage. We will work with stakeholders to advance a new vision for a province-wide network that connects programs, services and partners to support the important work of Manitoba's inventors and entrepreneurs."
- The Innovation Strategy is delivering on the economic priorities signalled by government through the creation of the Department of Jobs and the Economy and its increased focus on building a strong economy through the creation of good jobs, the expansion of existing businesses and the launch of new technology based ventures.

***Manitoba Innovation Strategy Priorities***

- Priority #1 - Build on Manitoba's research excellence
- Priority #2 - Support collaborative models for the commercialization of research
- Priority #3 - Create a clear path for innovators and entrepreneurs in Manitoba
- Priority #4 - Help our graduates and young entrepreneurs find the "jobs of tomorrow"
- Priority #5 - Enable our existing businesses to grow and prosper through innovation
- Priority #6 - Create an environment that fosters private sector investment for entrepreneurs and innovators in Manitoba

***Meeting the needs of Manitoba's entrepreneurs and businesses***

The Strategy will result in a re-alignment and re-focusing of resources to more closely meet the needs of our entrepreneurial and business communities by:

- Providing assistance directly to businesses and entrepreneurs for new ideas, processes and products to be commercialized in order to grow new jobs and investment;

- Targeting that assistance to more effectively meet the needs of new and existing enterprises that most need support to realize and capitalize on their ideas; and
- Ensuring that those resources invested result in measurable economic outcomes and tangible results.

***Expected outcomes from the Innovation Strategy***

- In a resource constrained environment, government must use its limited resources to maximum effect.
- The implementation of a renewed Innovation Strategy will result in a clearer definition of roles for public and private stakeholders in addressing the needs of Manitoba's innovation community.
- This definition of roles will reduce duplication, create efficiencies and ensure provincial funding is used to deliver economic returns that are consistent with the priorities of the provincial government.
- Time to market is critical and government efforts and assistance will be streamlined to provide these supports in the best possible way, at the most efficient cost to all citizens and government.
- Entrepreneurs, businesses, investors and employees will receive the right forms of assistance, at the right time to capitalize on innovation opportunities.

***Key Innovation Strategy Actions to date***

- Research Manitoba established.
- [REDACTED] 23(1)(F)
- \$300K annually for each of the Eureka Project and the Manitoba Technology Accelerator (MTA).
- \$300K annually for Innovate Manitoba.
- \$100K annually for Startup Winnipeg (Ramp Up Manitoba & Assentworks).
- The department has streamlined the Commercialization Support for Business (CSB) program for entrepreneurs and businesses.
- Manitoba Innovation Growth-Sidecar Fund (MIGSF) established.
- TechFutures Program established.

***Achieving the Strategy's intended outcomes***

- Success will be measured by ensuring that both provincial funding and services are guided and evaluated against the outcomes that matter most to the economy: jobs, investment, entrepreneurial success and increased commercialization of new technology and ideas.

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**SUBJECT:**

Manitoba's Key Knowledge-Based Industries

**ISSUE:**

- The Science, Innovation and Business Development Division (SIBD) of Manitoba Jobs and the Economy works to foster business development, job creation and industry growth in three of Manitoba's knowledge-based sectors, namely Information and Communications Technology (ICT), Life Sciences, and Interactive Digital Media (IDM).
- SIBD also provides business development support to Manitoba Agriculture, Food and Rural Development (MAFRD) on the bioproducts portfolio as required. MAFRD is the provincial lead on this file.

**CRITICAL BACKGROUND:*****The Information and Communications Technologies (ICT) Sector***

- Manitoba is home to a thriving ICT sector that serves the world. Manitoba has over 1,815 companies operating in the ICT industry, with approximately 80% of these firms located in Winnipeg. The sector employs approximately 18,275 professionals in various technical, non-technical, management and support occupations.
- Revenues generated by Manitoba's ICT industry exceed \$1.2 billion per year, and it is estimated that local ICT companies actively export goods and services worth over \$294.9 million annually. The ICT sector is an economic driver in Manitoba, and contributes approximately \$1.31 billion directly to provincial GDP. Employment in the ICT sector increased by 10 per cent from 2007 to 2012. Growth was evident in computer systems design, scientific research and development, electrical manufacturing and interactive digital media. Since ICT professionals are employed across all sectors, the sector has a direct impact on productivity and innovation across all of Manitoba's most important industries.
- Manitoba's ICT sector is supported by an extensive network of industry associations and research and development organizations.
- Major ICT firms including IBM and HP have centres of operation in Winnipeg and the city is the headquarters of one of Canada's largest telecommunications network providers: MTS.

***The Life Sciences Sector***

- Manitoba is home to over 170 active life science companies that employ approximately 6,500 highly skilled professionals on a full-time basis. In 2014, these companies created over 320 new positions and as a percentage of the total workforce in Canada, Winnipeg boasts the highest concentration of life science professionals of any city in Western Canada. Our life sciences sector is also home to the largest pharmaceutical manufacturing cluster outside of Ontario and Quebec.

- In 2014, revenues generated by the local life sciences industry exceeded \$800 million per year, and an additional \$74.8 million in investment capital was brought into Manitoba's economy. Approximately, 81% of life sciences/bio-economy businesses are involved in research and development, investing more than \$52 million annually in these activities. Overall, the Manitoba life sciences industry contributes more than \$1 billion directly to the provincial GDP.
- Manitoba's Life Sciences industry is most active in five key sectors:
  - Medical Devices;
  - Biopharmaceuticals;
  - Functional Foods & Nutraceuticals;
  - BioProducts; and
  - Health Informatics.
- Over the past 20 years, Manitoba entrepreneurs within the biotechnology cluster have created globally successful companies—including: Valeant Pharmaceuticals (formerly Biovail Pharmaceuticals), Medicure Inc., The Winning Combination and Emergent Biosolutions (formerly Cangene Corporation). Manitoba's life science companies are complemented by local R&D organizations and institutions, medical and diagnostic laboratories, and many scientific and technical consulting service establishments.
- With 72% of life science companies located in Winnipeg proper, the city does remain the hub for sector related activities. However, between 2012 and 2014, the proportion of companies located in the southern areas of the province has increased from 10% to 17%.

### ***The Interactive Digital Media Sector***

- Manitoba's interactive digital media (IDM) industry is made up of over 150 dedicated IDM firms and approximately 2,300 local professionals identify themselves as being part of Manitoba's IDM sector.
- Primary areas of expertise within Manitoba's interactive digital media sector include:
  - web development and design;
  - mobile app development;
  - virtual reality (VR);
  - game development;
  - interactive marketing and social media;
  - visual effects and motion graphics; and
  - interactive educational software.
- Of note, Manitoba's IDM sector contributes more to local employment, on a per dollar basis, than many of the province's most important traditional sectors (such as agriculture, finance and insurance, and construction). In fact, research undertaken as part of the 2012 New Media Census found that for every \$1 spent by the local industry, 73% supports Manitoba employment in high-skill and technology-based jobs and 94% is recaptured by the Manitoba economy.
- In addition, our province's vibrant IDM industry is stimulating innovation, competitiveness and new job creation across many other key sectors of

Manitoba's economy, including: film and video, information and communication technologies, print media and life sciences.

- The local interactive digital media industry is supported by the Province's Manitoba Interactive Digital Media Tax Credit (MIDMTC).

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**SUBJECT:**

Research Manitoba

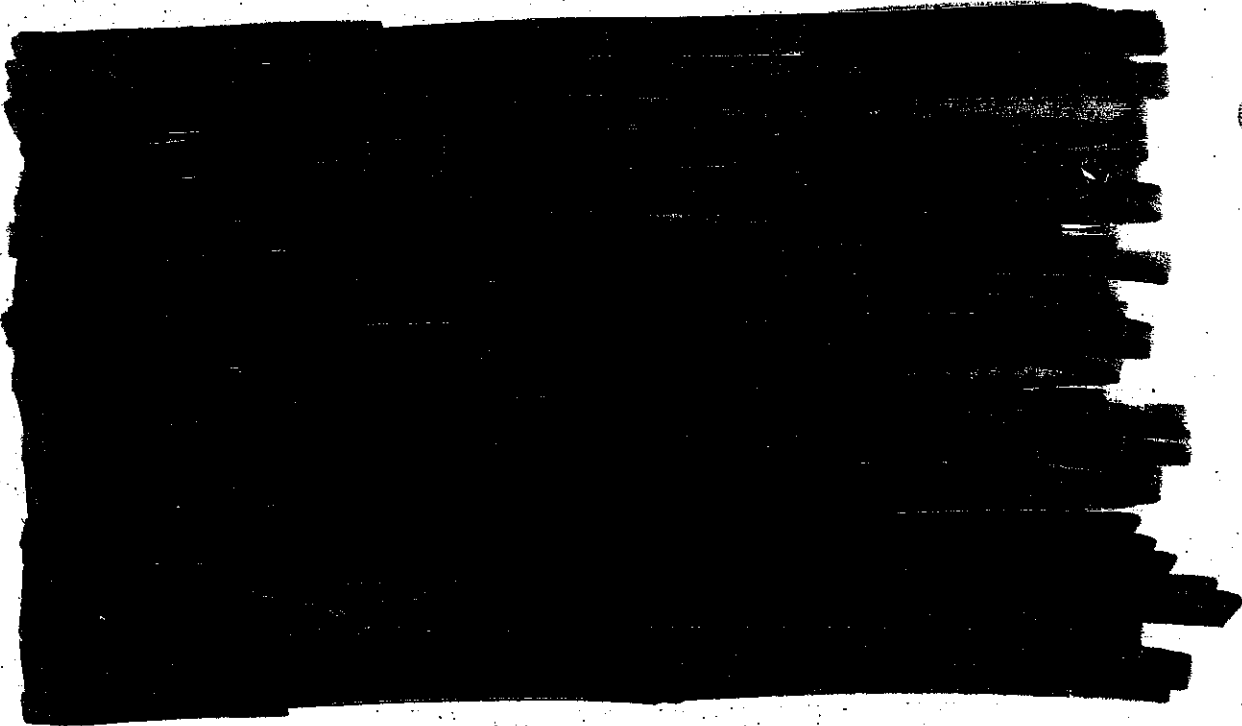
**ISSUE:**

- In Budget 2014, the Province of Manitoba announced its intent to establish Research Manitoba in order to target funding to strategic priorities under the guidance of business and research expertise.
- Research Manitoba is a new research funding, advisory and administrative body that will oversee major provincial research programs, and increase the focus and effective use of resources in developing existing and emerging research opportunities in the province.
- The mandate of Research Manitoba is to promote and support, and coordinate the funding of, research in the health, natural and social sciences, engineering and the humanities in Manitoba.

**CRITICAL BACKGROUND:**

- The establishment of Research Manitoba is a key activity that the Province committed to pursuing under Priority #1 of its Innovation Strategy "Building on Manitoba's research excellence".
- Research Manitoba is built on the existing Manitoba Health Research Council (MHRC) organization.
- The Manitoba Health Research Council (MHRC) Act has been amended under the Budget Implementation and Tax Statutes Amendment Act (BITSA) to update the language, Board composition and reflect the additional responsibilities of Research Manitoba. The new Act is known as The Research Manitoba Act which was proclaimed in June 2014.
- The Department has transitioned the Province's major research funding programs to Research Manitoba (including the Manitoba Research and Innovation Fund (MRIF), the Manitoba Centres of Excellence Fund (MCEF), Health Research Initiative and funding to the Manitoba Health Research Council. The total amount of funding available to Research Manitoba from these funds on an annual basis is just over \$17 million.
- Key Roles and Activities of Research Manitoba:
  - Develop, coordinate and implement a provincial research strategy and major funding programs on behalf of the province;
  - Encourage Manitoba's research community to create partnerships that will better leverage funding from national and international programs and industry;
  - Focus on existing strengths and emerging opportunities in the province's research community towards advancing Manitoba's position as a national and international leader;

- Invest in activities that will generate knowledge with the potential to be commercialized into value-added products and services of benefit to Manitoba's economy; and
  - Report annually to government, input, output and outcome indicators that demonstrate return on investment of Research Manitoba funded programs and projects.
- The business and affairs of Research Manitoba are managed by a board of directors consisting of at least 9 but not more than 17 directors. The directors are to be appointed by the Lieutenant Governor in Council on the recommendation of the Minister.
  - Each director can serve up to two terms of three years each
  - A member of the former Manitoba Health Research Council holding office on the coming into force of the Research Manitoba Act, continues to hold office as a board member of Research Manitoba until his or her term expires and may be re-appointed in accordance with this Act.
  - As of July 8, 2015, Research Manitoba has achieved its full complement of 17 board members with eight new Order-in-Council appointments. (see attached Board list).



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**SUBJECT:**

TechFutures Program

**ISSUE:**

- In December of 2014, Manitoba Jobs and the Economy conducted its first intake of applications under the TechFutures Program.
- The program is targeted to young entrepreneurs between the ages of 18 and 34, who are either pursuing or considering the commercialization of a technology-driven business idea.
- The program provides financial and training assistance to young entrepreneurs to assist them in launching or growing an early stage technology startup. Each award consists of:
  - \$3,000 in financial assistance;
  - Lean startup training at Innovate Manitoba's LaunchPad Startup Skills Workshop either in Winnipeg or in Brandon; and
  - Business counseling and services from Entrepreneurship Manitoba.

**CRITICAL BACKGROUND:**

- There are several **objectives** for the program:
  - Help young tech innovators develop their ideas quickly and identify the best pathway(s) for their growth;
  - Complement existing programs and supports (e.g. CSB) without duplicating efforts and funding.
  - Deliver the right form of flexible assistance to young tech entrepreneurs at the right time.
  - Increase the commercialization of new tech ideas and development of young aspiring entrepreneurs.
  - Increase the generation of new tech start-ups and create high-skill jobs.
- The TechFutures Program has been designed as a competitive program that will award **up to 20 grants annually** (in two intakes of 10 per year – spring and fall) to applicants who demonstrate the greatest potential for commercialization based upon the market potential of the business idea, the degree of innovation and the relevant skills and/or experience of the applicant.
- Each intake of 10 will be determined as follows:
  - The top two eligible business ideas at Startup Winnipeg's RampUp Weekend automatically qualify for a TechFutures grant.
  - The remaining eight recipients are selected through a competitive general intake.
- TechFutures is **delivered in concert with community partners**; Startup Winnipeg, Futurpreneur Canada and Innovate Manitoba.
- The results from Intake 1 of the Tech Futures (TF) program have resulted in the formation of two new companies, five new company incorporations, and of the 10

recipients in that intake, six are now working full time on their TF supported venture. In addition, four recipients are drawing income from their TF supported venture and five companies have raised private financing (67% equity, 33% debt).

- **Short term outputs/outcomes** to date for the program are as follows:
  - 69 applications have been made to the program to date (including six from Rampup Weekends).
  - 30 grants have been awarded to entrepreneurs, totalling \$90K since December 2014.
  - The program has funded 24 entrepreneurs to receive startup training from Innovate Manitoba to assist them in moving their business ideas forward. The remaining six companies had already completed the required training.
  - Feedback on the program from the community has been extremely positive.
- The Department received approval from Treasury Board to continue the program for **2016/17** over two intakes.
- The spring intake will run from April 22 to May 20, 2016, with the intention of distributing up to 8 awards through general applications and 2 awards going to the winners of Startup Winnipeg's RampUp Weekend (taking place from April 29 to May 1, 2016).
- To enhance awareness of the program, promotional materials will be distributed at an ICTAM luncheon that is targeted at tech entrepreneurs on April 22.
- The fall intake of the program is scheduled for mid-October.

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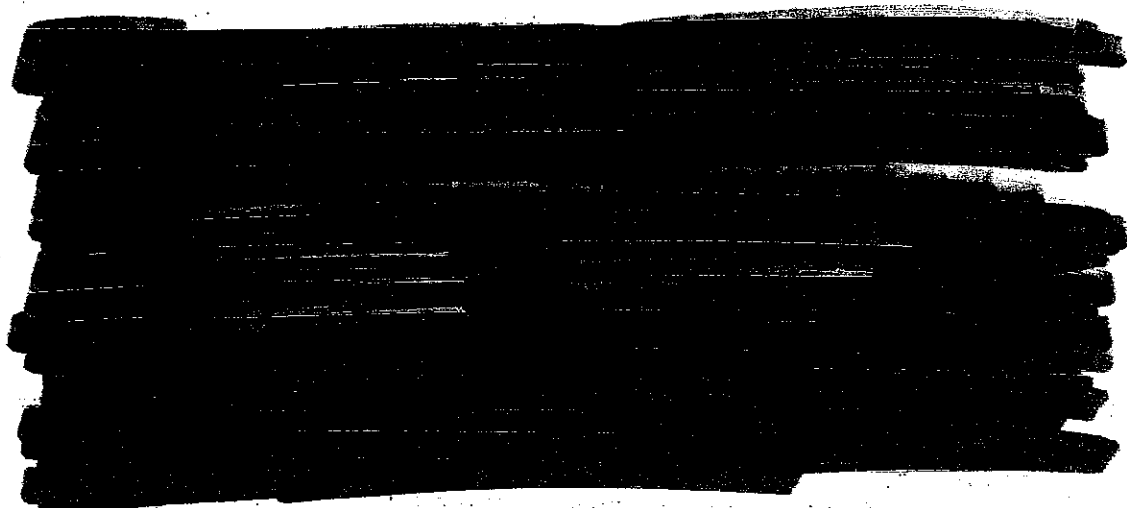
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23 (1) (a)  
23 (1) (F)

**SUBJECT:**

The Manitoba Interactive Digital Media Tax Credit (MIDMTC)

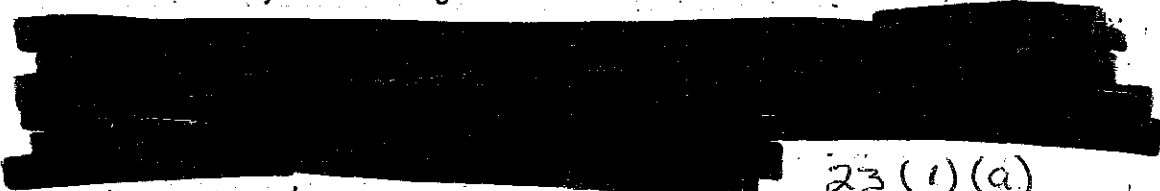
**ISSUE:**

- The Manitoba Interactive Digital Media Tax Credit (MIDMTC) is one of the Province's key business support programs used to create high-skill jobs in Manitoba and drive long-term economic growth for our province.

**CRITICAL BACKGROUND:**

- Introduced in 2008, the MIDMTC is a corporate income tax credit administered by the provincial government. It provides qualifying Manitoba companies with a 40% rebate on the eligible labour costs (and, in some cases, the eligible marketing costs) that they spend to develop an eligible interactive technology product here in the province.

**Why is the MIDMTC important?**

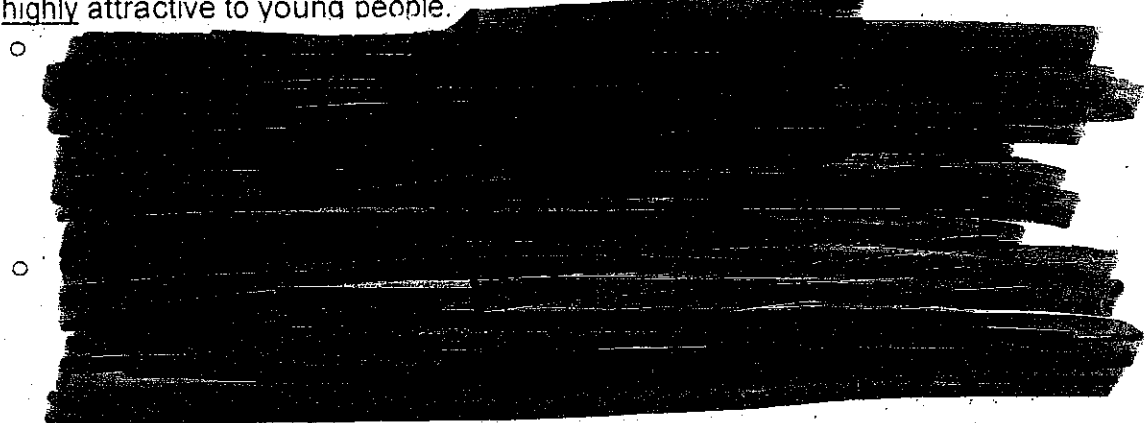
- Manitoba is home to flourishing ICT and interactive digital media (IDM) industries. These sectors employ nearly 20,000 local professionals and collectively generate revenues of over \$1.2 billion per year. Perhaps more importantly, these 'tech' industries contribute more to Manitoba employment and GDP—on a per dollar basis—than many of the province's most important traditional sectors (such as agriculture, finance & insurance, and construction). In fact:
  - 73¢ of every \$1 spent by Manitoba's IDM industry supports employment in high-skill, 'tech' jobs; and
  - 94¢ of every \$1 spent by Manitoba's IDM industry is spent here in the province (i.e. contributing to our provincial GDP).
- Not only do the ICT and IDM industries make a substantial contribution to Manitoba's economy *today*, but because it is widely acknowledged that Canada's future economic competitiveness will hinge on the strength of our 'tech' and other knowledge-based industries, these sectors will play an even more important role going forward. Additionally, companies across all sectors now need to integrate 'tech' into their business models in order to stay competitive. As only a few examples, local farmers are using interactive 'apps' to optimize crop production, transportation companies are using virtual reality simulators to train better drivers, and film producers are generating new revenue streams with video games based on the movies they're releasing.
-  23 (1) (a)
- Additionally, six other Canadian provinces also have IDM tax credits very similar to the MIDMTC. This makes the MIDMTC program important as a means to keep pace with other jurisdictions across Canada that are actively targeting

economic growth and high-skill job creation through investments in technology and innovation.

**What has been the value/impact of the MIDMTC program to date?**

- To date, the MIDMTC program has been very successful in helping local companies grow their businesses, hire new staff, and attract new sources of private investment. It has also helped many graduates from Manitoba's post-secondary programs find high-skill jobs in our province—in an industry that's highly attractive to young people.

18(1)(b)  
18(1)(c)(i)



- At a macro-level, in terms of the MIDMTC program's 'return on investment' (ROI) for the provincial government, economic impact data generated by a 3<sup>rd</sup> party consulting firm (Nordicity) and the Manitoba Bureau of Statistics has shown that, in 2011 (the most recent year for which data is available), Manitoba's IDM industry generated an estimated \$6.5 million in provincial and municipal-level tax revenue.

23(1)(a)(F)



below, with estimated figures taken from Manitoba's 2015 Budget Papers):

MB corporate tax credit program	Total tax expenditures for 14/15
Research & Development Tax Credit	\$38.7 M
Manufacturing Investment Tax Credit	\$33.5 M
Film & Video Production Tax Credit	\$15.0 M
<b>MIDMTC</b>	<b>\$ 1.0 M</b>

It is also worth noting that Manitoba's IDM industry is not at all dependent on government support. In fact, local IDM companies' ongoing business operations are 87% through self-funding,

23(1)(a)(F)

9% through other private-sector financing sources, and only 4% through public funding or tax credit programs.

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MINISTERIAL BRIEFING  
18(1)(b)(c)(i)(ii)(iii) 19(1)(b) 23(1)(a)(f)

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**SUBJECT:**

Manitoba Trade and Investment

**ISSUE:**

- Manitoba Trade and Investment is the lead provincial agency for international business development. Manitoba Trade and Investment supports Manitoba businesses to become export-capable and to diversify into domestic and international markets by delivering targeted programs and services. Manitoba Trade and Investment promotes Manitoba as a destination for inward investment.

**CRITICAL BACKGROUND:**

- Manitoba Trade and Investment's mandate can be broken down into promoting exports and promoting inward investment.
  - Manitoba Trade and Investment supports Manitoba businesses to become export capable and to diversify their exports into domestic and international markets by delivering targeted programs and services to Manitoba's small- and medium-sized Enterprises (SMEs); and
  - Manitoba Trade and Investment promotes Manitoba as a destination for inward foreign direct investment to increase economic growth and employment.
- Manitoba Trade and Investment provides a number of services to Manitoba companies, including:
  - Export consulting;
  - Market information;
  - Mission and trade show development;
  - Information seminars; and
  - Organization of incoming buyers missions.
- A key objective of Manitoba Trade and Investment is the expansion and diversification of Manitoba exports. Manitoba's domestic provincial economy is limited in terms of its ability to support the continued development through market growth of Manitoba companies; in order to achieve continued growth, firms need to enter markets outside of the province within Canada, North America and globally.
- On November 24, 2015, Manitoba Trade and Investment expanded into the Westman Region of the province by opening an office in Brandon, Manitoba.
- In addition to services provided by Manitoba Trade and Investment (located in Winnipeg and Brandon), Manitoba Trade and Investment has five Foreign Trade Representatives who provide in-market assistance to Manitoba companies at the direction of Manitoba Trade and Investment. These representatives are located in Brazil, China, Europe, India and Mexico. Representatives are engaged on fee-for-service contracts, they are not paid a retainer fee.
  - Manitoba Trade and Investment measures the value of the Foreign Trade Representatives through direct feedback from Manitoba companies. A Client

- Satisfaction Survey is sent annually to Manitoba companies who utilized the services of Manitoba's Foreign Trade Representatives.
- In the most recent Client Satisfaction Survey, completed in January 2016, 89% of respondents indicated they would recommend the services of Manitoba's Foreign Trade Representatives to other Manitoba businesses and 89% of respondents indicated their company received valuable information and/or services from Manitoba's Foreign Trade Representatives.
  - Manitoba Trade and Investment organizes and executes trade missions – both inbound and outbound. In fiscal year 2014/15, Manitoba Trade and Investment organized 50 outbound trade missions to 19 markets and 24 inbound missions from 9 different markets.
  - To best serve clients, Manitoba Trade and Investment works in partnership with organizations both domestically and internationally.
    - Domestically, Manitoba Trade and Investment works with other government departments, partner government departments in other provinces and non-governmental organizations – such as industry associations, Canadian Manufacturers and Exporters Association, CentrePort Canada Inc. and the World Trade Centre Winnipeg.
      - Global Affairs Canada has a Trade Commissioner co-located with Manitoba Trade and Investment.
    - Internationally, Manitoba Trade and Investment works with Global Affairs Canada in the form of Canadian Embassies and High Commissions overseas and Manitoba Trade and Investment's counterparts in foreign governments.
  - Manitoba Trade and Investment partners on missions with other western provinces. Manitoba Trade and Investment executed 20 joint missions with provincial partners from Alberta, British Columbia and Saskatchewan in the past 3 fiscal years.
  - Manitoba Trade and Investment has a branded website, [www.Manitoba-Canada.com](http://www.Manitoba-Canada.com), which includes an online registration tool for companies interested in staying informed of Manitoba Trade and Investment's upcoming activities.
  - Manitoba Trade and Investment has been providing trade services to Manitoba companies for over 19 years.
  - Manitoba Trade and Investment worked with over 520 Manitoba companies/organizations in 2014/15.
  - Manitoba Trade and Investment offers Manitoba companies over 490 years of combined international business and trade experience.
  - Manitoba Trade and Investment can provide service in 17 languages.
  - Manitoba Trade and Investment had an economic impact estimated to be in excess of \$75 million in the past fiscal year.
  - On a biennial basis, Manitoba Trade and Investment engages the Manitoba Bureau of Statistics to conduct a Client Satisfaction Survey. In the latest survey (Spring 2014), Manitoba Trade received excellent approval ratings with respect to the delivery of its services. Manitoba Trade and Investment is the only trade agency in Canada to conduct an independent third-party survey of clients.



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- On December 15, 2015, [REDACTED] the new Trade Assistance Program for Procurement (TAPP). This new program is designed to provide short-term financial assistance to Manitoba companies that have been negatively impacted by Manitoba's exclusion from the Province of Saskatchewan Crown Corporations contract bids.
  - Under the TAPP, if there is sufficient interest from Manitoba companies, Manitoba Trade and Investment will organize and support both incoming and outgoing trade missions from/to other provinces. This will provide opportunities for Manitoba companies to showcase their goods and/or services outside of Manitoba and will continue to support the Province's efforts to assist Manitoba companies to diversify their export markets.
- Manitoba Trade and Investment delivers the Market Development Stream of the Commercialization Support for Business (CSB) Program. The Market Development stream can provide financial assistance to Manitoba companies that:
  - participate in export oriented tradeshows outside of Manitoba; and/or
  - engage a third-party consultant to develop export oriented marketing materials.

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**SUBJECT:**

Manitoba's Foreign Trade Representatives

**ISSUE:**

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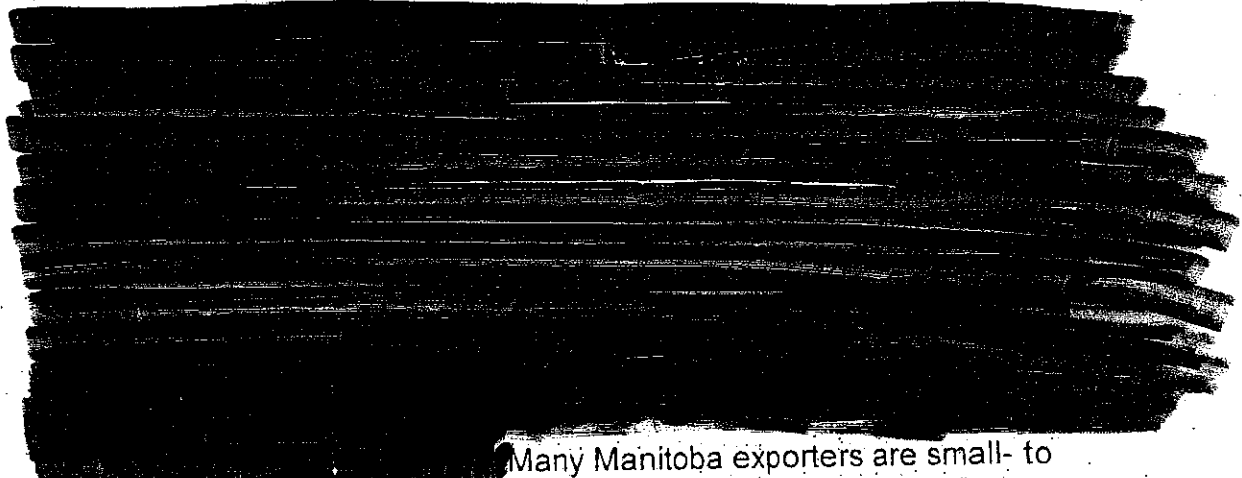
- The Foreign Trade Representatives provide on-the-ground assistance to Manitoba companies interested in entering international markets. On-the-ground assistance is important for identifying partners and addressing challenges in market. The Foreign Trade Representatives also promote Manitoba as a destination for inward investment.
- In Manitoba Trade and Investment biennial third-party Client Satisfaction Survey Manitoba's Foreign Trade Representatives were ranked as a key service provided by Manitoba Trade and Investment.

[REDACTED]

**CRITICAL BACKGROUND:**

- Manitoba Trade and Investment received approval [REDACTED] to retain Foreign Trade Representatives in Brazil, China, Europe, India and Mexico in fiscal year 2015/16 as follows:
  - Mohr-Bell Business Planning Ltda. (Mr. James Mohr-Bell), 4<sup>th</sup> contract (\$100.0 CAD), responsible for Brazil, \$100.0 USD in fiscal year 2014-15;
  - Mr. Richard Walker, (CanAsia Enterprises), 28<sup>th</sup> contract (\$165.0), responsible for China, unchanged from fiscal year 2014-15;
  - H.W. Haufe Consultants & Associates (Mr. Wolfgang Haufe), 18<sup>th</sup> contract (\$98.0), responsible for Western and Northern Europe, unchanged from fiscal year 2014-15;
  - Global Network (Mr. Jagat Shah), 6<sup>th</sup> contract (\$110.0), responsible for India, unchanged from fiscal year 2014-15; and
  - International Experts BMT Mexico S.C. (BMT) (Mrs. Gloria Garcia), 7<sup>th</sup> contract (\$100.0), responsible for Mexico, unchanged from fiscal year 2014-15.
- Foreign Trade Representatives provide services in three broad areas:
  - Market intelligence
  - Assist companies as they enter new markets and diversify within existing markets

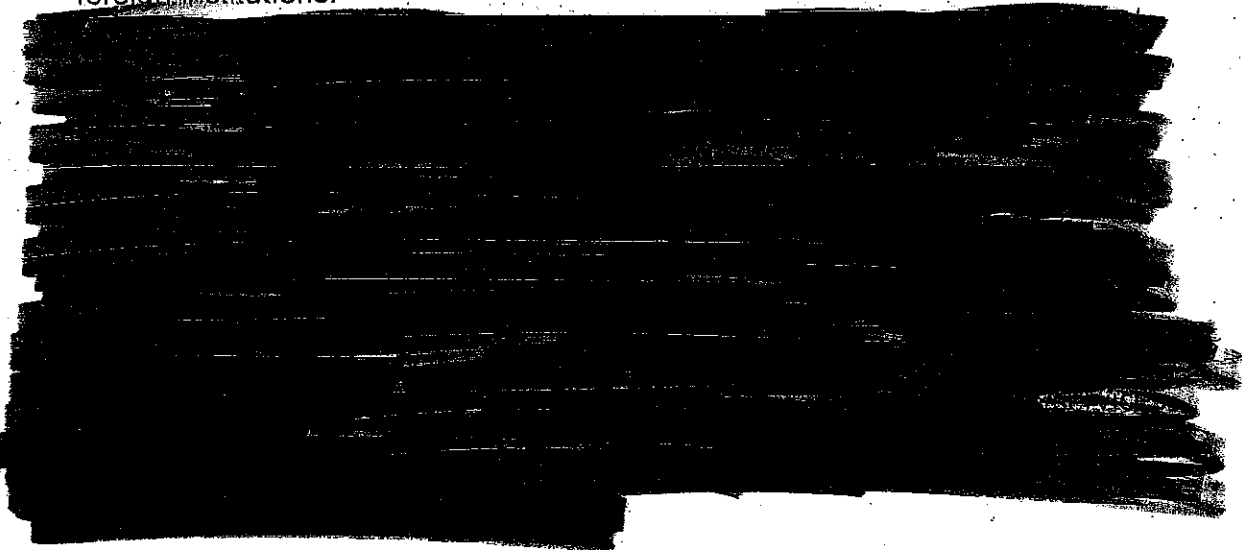
- o Assist incoming and outgoing trade and investment missions organized in conjunction with Manitoba Trade and Investment.
- Market diversification is fundamental to Manitoba's long term growth. Manitoba companies are looking beyond traditional markets (United States) to other markets (Brazil, India, China and other emerging markets). The Asia Pacific, Europe and Latin America are priority markets for Manitoba. As more Manitoba companies begin to pursue opportunities in these markets, the demand for services from Manitoba Trade and Investment's Foreign Trade Representatives will increase.



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Many Manitoba exporters are small- to medium-sized firms. Two key components to companies' success in international markets are:

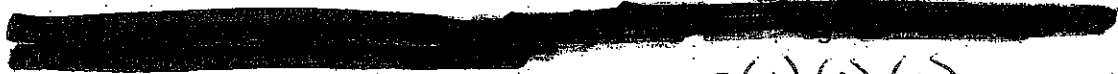
- (1) meeting appropriate pre-qualified firms through one-on-one meetings in the export market; and
- (2) receiving on-site support when in the international market.
- In addition to export development assistance, the foreign representatives:
  - (1) promote Manitoba as a destination for foreign direct investment; and
  - (2) promote research and development partnerships between Manitoba and foreign institutions.



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**SUBJECT:**

Manitoba Trade Patterns

**ISSUE:**

- Manitoba's International Trade

**CRITICAL BACKGROUND:****Exports**

- Manitoba's domestic exports in 2015 totaled \$13.7 billion.
- Manitoba's total domestic exports increased by \$290.3 million, or 2.2%, from 2014 to 2015.
- Manitoba's non-U.S. destined exports decreased by \$165.2 million, or -3.8%, from 2014 to 2015.
- The United States is Manitoba's top export destination. In 2015, the U.S. consumed approximately 69.4% of Manitoba's exports, up from 67.5% the previous year. Exports to the U.S. for 2015 increased by \$455.5 million compared to 2014.
- The next five largest export destinations for Manitoba products were China, Japan, Mexico, Hong Kong and Germany. In total, these five markets consumed \$2.3 billion of Manitoba exports and accounted for 17.1% of Manitoba's 2015 total exports.
- Non-U.S. destined exports decreased as a percentage of total exports from 32.5% in 2014 to 30.6% in 2015. Manitoba's non-U.S. destined exports decreased by \$165.2 million from 2014 to 2015.

**Imports**

- In 2014, Manitoba's imports from foreign markets totaled \$20.9 billion.
- Manitoba's total imports increased by \$547.5 million from 2014 to 2015.
- The U.S. is Manitoba's largest source of imports. In 2015, the U.S. accounted for approximately 78.0% of all imports into Manitoba.
- After the U.S., the next five largest sources of imports into Manitoba in 2015 were China, Mexico, Germany, France and Japan. In total, these five markets accounted for 13.6% of Manitoba's 2015 imports.

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**SUBJECT:**

Manitoba Trade and Investment Missions

**ISSUE:**

- Highlights of Manitoba Trade and Investment's past and approved upcoming activities.

**CRITICAL BACKGROUND:**

- A key objective of Manitoba Trade and Investment is the expansion and diversification of Manitoba exports. Manitoba's domestic provincial economy is limited in terms of its ability to support the sustainability – through market growth – of Manitoba companies; in order to achieve continued growth, firms need to enter other markets within Canada, North America and globally.
- The globalization of business has increased off-shore competition for Canadian and North American markets, which are considered traditional markets for Manitoba companies.
- Increased competition in traditional markets makes it necessary for Manitoba companies to pursue and enter other new markets in order to grow.
- Manitoba and other provinces are increasingly involved in developing and directing their efforts to compete in global markets, leveraging their existing business, cultural and language linkages to further commercial opportunities in trade, investment, tourism, immigration, education and other areas.
- Manitoba Trade and Investment partners on missions with other western provinces. Manitoba Trade and Investment executed 20 joint missions with provincial partners from Alberta, British Columbia and Saskatchewan in the past 3 fiscal years.
- Below are a few highlights from recent and/or upcoming activities. For additional information on Manitoba Trade and Investment's approved activities, please see the attached reports.

***Approved Upcoming Activities*****Chile**

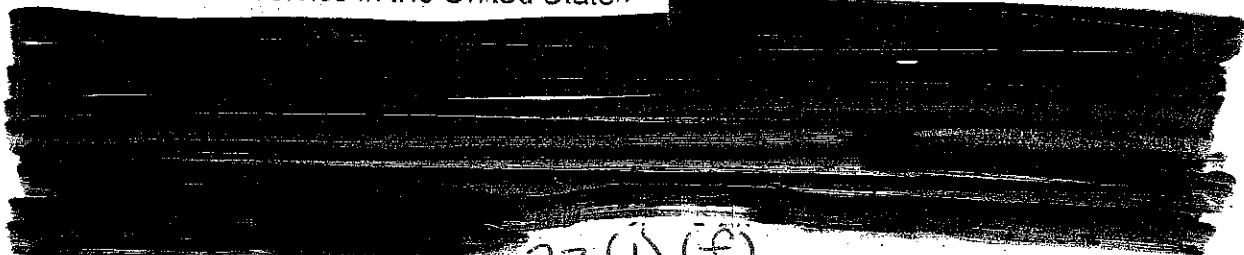
April 23-30, 2016 – Manitoba Trade and Investment will lead a business mission to EXPOMIN, the World Mining Exhibition & Congress for Latin America. This event is one of the largest and most important mining trade fairs in the world. It is an excellent showcase for innovation and top technology solutions in the mining production process and is an important event where Canadian mining industry suppliers can showcase their products and services.

**United States of America**

May 3-5, 2016 - Manitoba Trade and Investment in partnership with Manitoba Hydro International is coordinating a Manitoba pavilion for Manitoba companies participating in

the Institute of Electrical and Electronics Engineers (IEEE) Power and Energy Society (PES) Transmission and Distribution Conference & Exposition in Dallas, Texas.

June 12-15, 2016 – Manitoba Trade and Investment in collaboration with its provincial partners and Global Affairs Canada will participate in the "Taste of Canada Showcase #6" in Minneapolis, Minnesota. This event is for Canadian exporters targeting the retail sector and food service in the United States



23 (1) (f)  
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**Past Activities (2015-2016)**

**Belgium**

October 14-16, 2015 – Manitoba Trade and Investment in partnership with the World Trade Centre Winnipeg participated in Culturallia in Mons, Belgium. Culturallia is an international business forum for creative and cultural industries and information, communication and technology (ICT).

**Brazil**

June 23-25, 2015 – Manitoba Trade and Investment hosted an incoming delegation from Brazil. The delegation was accompanied by the Trade Commissioner from the Consulate General of Canada in Sao Paulo, Brazil, Mr. Marcio Francesquine.

July 9-10, 2015 – Manitoba Trade and Investment in partnership with Yes! Winnipeg hosted an incoming delegation from Brazil.

**Canada**

April 12-16, 2016 – Manitoba Trade and Investment attended SIAL Canada in Montréal Quebec. SIAL Canada is an international food and beverage tradeshow that targets the North American market. SIAL Canada provides the Canadian food and beverage industry with an excellent platform from which to showcase their new, specialty, high-quality and innovative products.

March 2-4, 2016 – Manitoba Trade and Investment in partnership with the Manitoba Environmental Industries Association (MEIA) led a Manitoba business delegation to Globe 2016 in Vancouver, British Columbia. Globe is North America's largest international environmental business forum.

January 13, 2016 – Manitoba Trade and Investment partnered with Entrepreneurship Manitoba and the Brandon Chamber of Commerce to host the seminar, "China: Opportunities for Exporters" in Brandon, Manitoba. Participants learned about opportunities in China from Manitoba Trade and Investment's Foreign Trade Representative in China, Mr. Richard Walker.

December 2015 – Manitoba hosted the Agricultural Manufacturers of Canada (AMC) annual meeting and trade expo. The annual meeting provided a forum to discuss pertinent issues facing Manitoba's new/emerging and experienced exporters of



manufactured goods. The Minister of Jobs and the Economy brought greetings at the luncheon on December 3, 2015.

November 23-27, 2015 – Manitoba Trade and Investment and Manitoba companies participated in SecureTech 2015 in Ottawa, Ontario. SecureTech 2015 is Canada's leading public safety, emergency management, and security showcase.

June 28-30, 2015 – Manitoba Trade and Investment participated in the 2015 South East United States – Canadian Provinces (SEUS-CP) Alliance Conference in Charlottetown, Prince Edward Island.

- Manitoba is scheduled to host the SEUS-CP Alliance Conference in 2017.

June 2015 – Manitoba Trade and Investment participated in the International Business Centre (IBC) at the Canadian Farm Progress Show (CFPS) in Regina, Saskatchewan. CFPS is a key western Canadian dryland farming technology showcase and the IBC's global profile receives considerable promotion by its federal/western provincial partners (Manitoba Trade and Investment was a founding partner in 1988).

### Chile

October 18-25, 2015 – Manitoba Trade and Investment led a business mission of Manitoba companies to CONEXPO Latin America in Santiago, Chile. The inaugural CONEXPO Latin America 2015 event showcased the latest construction equipment, products, services and technologies for the construction industry, along with innovations that promote productivity, efficiency, safety and sustainability from around the world.

### China

November 11-13, 2015 – Manitoba Trade and Investment and participating Manitoba companies attended the Food and Hotel China (FHC) 2015 show in Beijing, China.

September 24-26, 2015 – Manitoba Trade and Investment hosted an incoming delegation from Anhui, China. This five member delegation was led by Mr. Zhou, Shiqi, Vice Director, Anhui Provincial Commission of Agriculture. The delegation visited Manitoba to meet with Manitoba companies and government officials with regard to: livestock/poultry manure resource utilization, animal disease control, Duroc pig breeding stock and the Memorandum of Understanding between the Province of Manitoba and the Province of Anhui.

August 6, 2015 – The Wellness Institute at Seven Oaks General Hospital, with assistance from Manitoba Trade and Investment, partnered to open China's first Medical Fitness Facility in Rizhao City, Shandong Province, China.

June 8-20, 2015 – Manitoba Trade and Investment participated in the Agriculture and Agri-Food Canada (AAFC) mission to China, led by the Honourable Gerry Ritz, Minister of AAFC. The mission included activities in Shanghai, Chongqing and Beijing.

May 2015 – Manitoba Trade and Investment partnered with the Life Sciences Association of Manitoba (LSAM) on a mission to China including: life sciences/medical instruments exhibitions in Shanghai and Hong Kong.

### Colombia

November 2-3, 2015 – Manitoba Trade and Investment hosted Colombia's Ambassador to Canada, His Excellency Nicolás Lloreda Ricaurte. During the Ambassador's visit he

met with the Honourable Kevin Chief, Manitoba Jobs and the Economy and with Mr. Jeison Santaniello, Regional Director, Latin America, Ag Growth International (AGI).

### France

December 1-3, 2015 – Manitoba Trade and Investment in partnership with the Manitoba Agri-Health Research Network (MAHRN) participated in the Canadian Pavilion at the Food Ingredients Europe show in Paris, France.

### Germany

November 8-14, 2015 – Manitoba Trade and Investment led a business mission to Agritechnica 2015 in Hannover, Germany. Agritechnica is the world's largest trade fair for agricultural machinery and equipment.

- Agritechnica is a biennial event. Manitoba's attendance at the 2015 event featured more than 110 delegates representing 15 Manitoba-based companies. Companies have reported \$35 million in sales at the show and another \$75 million - \$100 million in sales projected for the next 18-24 months.

October 10-14, 2015 – Manitoba Trade and Investment participated with Manitoba companies in Anuga 2015 in Cologne, Germany. Anuga is the world's largest food and beverage trade event.

September 2015 – Manitoba Trade and Investment in partnership with Manitoba Music led a delegation of Manitoba companies and artist-entrepreneurs to the Reeperbahn Festival in Hamburg, Germany.

### Honduras

September 9-11, 2015 – Manitoba Trade and Investment partnered with the World Trade Centre Winnipeg (WTCW) and Cypher Environmental Ltd. (Winnipeg) to host an incoming delegation from Honduras who visited Manitoba.

### India

December 9-11, 2015 – Manitoba Trade and Investment participated in Municipalika 2015 (Sustainable Habitat & Smart Cities) in Jaipur, India. The international conference and exhibition highlighted pertinent issues around the challenges facing modern cities including opportunities, sharing best and leading practices and evolving technological and managerial solutions. The show focused on water and waste water, solid waste and recycling, urban transportation, safety, security and disaster management, urban infrastructure development and Smart Cities.

October 7-8, 2015 – Manitoba Trade and Investment hosted an incoming delegation from India. The eight member delegation was led by Mr. Arun Jha, Secretary (Deputy Minister level), Ministry of Tribal Affairs, Government of India. Delegates included seven officials from the federal (Union) government, India's largest state of Maharashtra and representatives of the United Nations.

August 18-25, 2015 – Manitoba Trade and Investment, in partnership with the Canadian Trade Office in Bangalore, led a delegation of Manitoba companies to Bangalore, India to participate in a multi-province mission centered on AgriTech India. AgriTech India is the largest event for the food industry and its associated technologies in South India.

April/May 2015 – Manitoba Trade and Investment hosted an incoming mission from India, Agrocorp International Pte Ltd. Agrocorp International Pte Ltd. purchases large volumes of high quality canola, flax, peas, beans, lentils, mustard, barley and sunflower. They sell to India as well as Southeast Asia and the Middle East.

April 29, 2015 – Manitoba Trade and Investment partnered with the Indo-Canada Chamber of Commerce (I-CCC) to host a business networking reception focused on opportunities in India featuring the Honourable Maxime Bernier, Federal Minister of State (Small Business and Tourism and Agriculture), Mr. Akhilesh Mishra Consul General of India in Toronto and Mr. Dharma P. Jain, National President, Indo-Canada Chamber of Commerce.

### Ireland

November 1-6, 2015 – Manitoba Trade and Investment in partnership with Information and Communication Technologies Association of Manitoba (ICTAM) led a delegation of Manitoba companies to participate in the Web Summit 2015 in Dublin, Ireland. The Web Summit has become one of the worlds most influential and international technology events.

### Mexico

December 2015 – Manitoba Trade and Investment in partnership with CentrePort Canada Inc. hosted an incoming delegation of Mexican politicians and senior level officials from Mexican companies to Manitoba. The delegation visited Manitoba to explore the opportunity of establishing a distribution centre for Mexican food products at CentrePort Canada Inc.

- On December 1, 2015, members of the delegation (ProMéxico, Bancomext, FIRA and Minister Raúl López Mercado, Office of the Secretary of Agriculture) along with CentrePort Canada Inc. signed a Memorandum of Understanding (MOU). The MOU signing was witnessed by the Honourable Greg Selinger, Premier of Manitoba and Mr. Mario Rodriguez Montero.

November 24-27, 2015 – Manitoba Trade and Investment and participating Manitoba companies attended Expo Agro Alimentaria 2015 in Irapuato, Mexico. Expo Agro Alimentaria is a trade show for manufacturers of agricultural, livestock, grain handling and feed industry equipment and metal silos for grains & ingredient storage.

November 22-23, 2015 – Manitoba Trade and Investment attended the annual Canada-Mexico Partnership meetings in Mexico City, Mexico.

August 25-30, 2015 – Manitoba Trade and Investment participated in a series of meetings and a one-day event to promote investment in Manitoba (CentrePort Canada Inc.) in Mexico City, Mexico.

### United States of America

March 14-18, 2016 – Manitoba Trade and Investment partnered with New Media Manitoba to attend the Game Developers Conference (GDC) in San Francisco, California. It is the essential forum for learning, inspiration, and networking for the creators of computer, console, hand-held, mobile, and online games.

March 11-13, 2016 – Manitoba Trade and Investment attended the Natural Products Expo West trade show in Anaheim, California. Natural Products Expo West is the

premier trade show in the natural, organic and healthy products industry and attracts over 67,000 industry professionals and 3,000 exhibitors from around the world.

January 19-21, 2016 – Manitoba Trade and Investment and participating Manitoba companies exhibited at the 2016 NAHB International Builders Show (IBS) in Las Vegas, Nevada. The IBS is the largest annual light construction show in the world.

November 15-17, 2015 – Manitoba Trade and Investment participated in the Private Label Manufacturers Association's (PLMA) Private Label Trade Show in Chicago, Illinois. Focused on private label agri-food suppliers, the show attracts importers, distributors and buyers from the retail and foodservice sector.

September 18-19, 2015 – Manitoba Trade and Investment and participating Manitoba companies attended Natural Products Expo East, one of the largest Natural and Organic trade shows in the United States. This event draws buyers from all the major natural, health, organic and grocery chains from the Eastern United States, as well as many of the main US based processed food companies.

September 15-20, 2015 – Manitoba Trade and Investment in partnership with Manitoba Music, Manitoba Film & Music and other western Canadian music industry associations attended the Americana Music Festival/Conference and Publisher Meetings in Nashville, Tennessee. The trade mission featured a showcase, networking event and facilitated business-to-business meetings.

September 2015 – Manitoba Trade and Investment led a business delegation to the Farm Progress show in Decatur, Illinois. The Farm Progress show is the largest U.S. based outdoor farm show with more than 500 exhibitors displaying new farm equipment, tractors, combines, and farm implements; seed and crop protection products; and many additional farm supplies and services.

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## Jobs and the Economy – Manitoba Trade and Investment

**SUBJECT:**

Manitoba Trade and Investment Mission to Agritechnica 2015 (*Hannover, Germany, November 8-14, 2015*)

**ISSUE:**

- Manitoba Trade and Investment in partnership with Saskatchewan Trade and Export Partnership (STEP), with financial support from Western Economic Diversification (WED) Canada, represented Canada at Agritechnica 2015. Manitoba's delegation to Agritechnica 2015 included over 110 delegates representing 17 Manitoba-based companies/organizations. Companies have reported \$35 million in sales at the show and another \$75 million - \$100 million in sales projected for the next 18-24 months.

**CRITICAL BACKGROUND:**

- Agritechnica is the largest agricultural equipment and technology show of its kind. With 25 exhibition halls, Agritechnica 2015 included displays from 2,907 exhibitors, representing 52 countries and attracting 451,357 visitors from 115 countries.
- Manitoba Trade and Investment in partnership with Saskatchewan Trade and Export Partnership and with financial support from Western Economic Diversification Canada represented Canada at Agritechnica 2015. Manitoba Trade and Investment coordinated two pavilions (Grain Handling, Storage & Processing; and Harvesting, Tractors, Implements & Spare Parts) and STEP coordinated one pavilion (Seeding & Tillage).
- Manitoba's delegation to Agritechnica 2015 included over 110 delegates representing 17 Manitoba-based companies/organizations.
- 21 companies/organizations (17 Manitoba-based) participated in Manitoba Trade and Investment's two pavilions, including:

Manitoba Companies

AGI - Ag Growth International (Winnipeg, MB)  
CanAgro Exports Inc. (Winkler, MB)  
Convey-All Industries Inc. (Winkler, MB)  
Curry Industries Ltd. (Winnipeg, MB)  
Dynamic Ditchers Inc. (Dugald, MB)  
Elmer's Manufacturing Ltd. (Alfonsa, MB)  
Hi-Tec Ag (Portage la Prairie, MB)  
IMEX Trade Inc. (Winkler, MB)  
MacDon Industries Ltd. (Winnipeg, MB)  
Mandako Agri Marketing (2010) Ltd. (Plum Coulee, MB)  
Norstar Industries (Morris, MB)  
Springland Mfg. (Rivers, MB)  
Versatile (Winnipeg, MB)

Walinga Inc. (Carman, MB)

Manitoba Organizations

Canadian Manufacturers & Exporters (Winnipeg, MB)

CentrePort Canada Inc. (Winnipeg, MB)

Export Development Canada (Winnipeg, MB & Ottawa, ON)

Out of Province Companies/Organizations

Alberta Agriculture and Rural Development

AT Films Inc. (Edmonton, Alberta)

Renn Mill Center Inc. (Lacombe, Alberta)

Valmetal (Saint-Germain-de-Grantham, Quebec)

- Companies have reported \$35 million in sales at the show and another \$75 million - \$100 million in sales projected for the next 18-24 months.
- The Agricultural Equipment and Grain Handling and Storage sector is a key sector for Manitoba.

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**SUBJECT:**

Southeastern US-Canadian Provinces Alliance Meeting (May 26-28)

**ISSUE:**

- The Southeastern US-Canadian Provinces (SEUS-CP) Alliance is a trade promotion partnership between 6 southeastern states (AL, GA, MS, NC, SC, TN) and 7 provinces (MB, NB, NL, NS, ON, PE, QC) that holds an annual business-to-business conference. As the 2017 host jurisdiction, Manitoba is expected to hold a luncheon for all attendees at the 2016 meeting in Nashville, TN (May 26-28).
- Although a founding member in 2008, Manitoba has not had a significant involvement since and previously deferred hosting in 2015.

**CRITICAL BACKGROUND:**

- Although Manitoba initially played an important role in the formation of SEUS-CP, Manitoba has not had a significant presence at SEUS-CP events since 2008. Manitoba did not send a Head of Delegation to the 2009 and 2012 meetings. In 2010 and 2011, the Minister of Entrepreneurship, Training and Trade attended. In 2013 and 2014, the Executive Director of Manitoba Trade and Investment has participated as Head of Delegation.



23 (1) (a)  
23 (1) (f)

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**SUBJECT:**

Canada-US and International Relations Branch – Mandate and Activities

**ISSUE:**

- CUSIR is part of the Federal-Provincial and International Relations Division, which supports the Premier in his capacity as the minister responsible for intergovernmental relations. The CUSIR branch is currently located in the Department of Jobs and the Economy for financial and reporting purposes, as is the Protocol office

**CRITICAL BACKGROUND:**

- The main activities of CUSIR include:
  - Providing a coordinating function with respect to Manitoba's international activities and promoting a strategic approach to Manitoba's international relations;
  - Building strategic relationships with international government officials and those involved with international relations within Canada, such as Global Affairs Canada; and
  - Providing strategic and operational advice to the government in support of its international interests, including advice on negotiations and international agreements.
- CUSIR works closely with Manitoba Trade and Investment to support the Premier's / Minister's involvement in events related to international trade, and with the Protocol Office to manage incoming diplomatic visits.

**PREMIER'S / MINISTER'S INTERNATIONAL MISSIONS**

- The US, given its proximity and importance as a trading partner (69.4% of Manitoba exports and 78% of Manitoba imports in 2015), is the focus of much of Manitoba's advocacy and engagement abroad. Key activities include supporting the Premier's interactions with the US Administration and Congress on issues of concern to Manitoba (e.g. transboundary water issues, regulatory/legal changes affecting Manitoba's trade or other interests in the US). The Premier also interacts regularly with state Governors on bilateral issues and at regular Governors' meetings (e.g. Western Governors' Association, National Governors' Association).
- The Premier (and Minister) also undertake missions overseas to further Manitoba's international trade priorities and other interests abroad, including immigration, tourism, educational and research collaboration, cultural connections, and environmental cooperation. This may include participation in joint missions with other provinces (e.g. Canadian Premiers' missions to China in 2008, 2012, and 2014) or with the federal government (e.g. Team Canada).



## **INTERNATIONAL PARTNERS AND PROJECTS**

- Manitoba has partnerships and agreements with national and subnational governments in more than 25 countries, notably subnational governments in China, Mexico, Brazil, France, and the US. The branch endeavours to maintain these relationships and assist in activities by other departments that support them.
- CUSIR provides corporate oversight of the Government of Manitoba's participation in international development projects and international aid, and acts as the provincial liaison between international financial institutions and Manitoba companies interested in bidding on international development contracts. Manitoba recently completed significant international development initiatives with Ukraine and Philippines. There are also connections from historical initiatives with Northwest Province in South Africa.

## **INCOMING DIPLOMATIC VISITS**

- CUSIR, with Protocol, manages incoming visits by foreign dignitaries and diplomats. These meetings occur principally with the Premier, but the Minister is regularly asked to meet with these individuals and groups, both as Minister responsible for trade and investment and on behalf of the Premier.

## **OTHER INTERNATIONAL ACTIVITIES / EVENTS**

- In addition to providing policy advice and mission support for Premier's / Minister's missions, CUSIR coordinates Manitoba's involvement in several ongoing events and fora:
  - **Southeastern United States-Canadian Provinces Alliance (SEUS-CP)** meets annually and includes businesses and senior officials from six states (Georgia, South Carolina, North Carolina, Tennessee, Mississippi, and Alabama) and seven provinces (MB, NL, NS, NB, ON, PEI, and QC). Manitoba is scheduled to host SEUS-CP in 2017, which will require a provincial presence at the event in 2016.
  - **NASCO (North American Strategy for Competitiveness)** promotes the mid-continent trade and transportation corridor in Canada, the US, and Mexico. Manitoba was instrumental in organizing the group. Although participation by Governors and Premiers has declined in recent years, Manitoba continues to participate in the group and encourage Minister-level engagement by participating jurisdictions. The next major meeting is scheduled for Dallas / Fort Worth in November 2016.
  - **Legislators' Forum** includes legislators from Manitoba, North Dakota, South Dakota, and Minnesota, who meet annually. The Legislators' Forum began with a focus on flood mitigation in Red River basin, but has expanded its areas of interest to include energy, trade, and economic development. The Forum continues to serve as "Manitoba's own" US engagement meeting. The 2016 meeting will be in Grand Forks, North Dakota. [REDACTED]
  - **Midwestern Legislative Conference (MLC)** is the Midwestern branch of the US Council of State Governments, which includes Illinois, Indiana, Iowa, [REDACTED] 23(1)(f)

Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. Manitoba is an associate member of the MLC (with AB, SK, ON and QC), and has focussed on the Midwest-Canada Relations committee. The group has been useful in putting forward resolutions on issues that are important to Manitoba (e.g. Country of Origin Labelling and Buy American regulations). 2016 MLC will be held in Milwaukee, Wisconsin in July.

23 (1) (f)

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**SUBJECT:**

US Advocacy Contracts

**ISSUE:**

- Manitoba has three long-standing contracts to provide advocacy services on various issues in the US and represent Manitoba's interests in the US political and legal systems. These contracts are with: the legal firm Garvey Schubert Barer (GSB) (legal/regulatory advice on energy and other issues); Marianne Rude (Manitoba's Washington Representative and Congressional/Administration liaison on all issues); and the legal firm Dentons (formerly McKenna, Long & Aldridge) (retainer for strategic advice).

[REDACTED]

19(1)(b)(e)

**CRITICAL BACKGROUND:**

- Manitoba has three separate non-tendered contracts to provide advocacy services on border, trade, energy, transboundary water, and other intergovernmental issues in the US. These contracts are with: the legal firm Garvey Schubert Barer (GSB); Manitoba's representative in Washington DC, Marianne Rude; and the legal firm Dentons (formerly McKenna, Long & Aldridge).
- Each contract fulfills a separate function for the Manitoba government, as experience has shown that a multi-pronged approach to serving Manitoba's interests in the US is required:
  - Garvey Schubert Barer [REDACTED] GSB provides advice to Manitoba on legal and regulatory issues in the US, including energy and agricultural regulations. GSB has a deep familiarity with Manitoba's concerns and interests, having advised and represented Manitoba since the 1980s on North Dakota water issues such as Devils Lake and inter-basin transfer projects. *Note: GSB currently represents Manitoba in its litigation in the US District Court against the Northwest Area Water Supply Project under a separate contract with Conservation and Water Stewardship.*
  - Contract with Marianne Rude [REDACTED] 23(1)(c): Ms. Rude has provided dedicated, on-the-ground advocacy related to Manitoba's interests in Washington, DC since 2005 in her role as Manitoba's Washington Representative. A former staff member at the Canadian Embassy, she has developed and maintained an extensive network of contacts with Congressional and Administration staff members to advocate in support of Manitoba's interests. She also attends hearings and meetings on Manitoba's behalf (minimizing travel expenses that Manitoba

staff would otherwise incur), and keeps on top of emerging issues that may affect Manitoba's interests. In the past this has included US Country of Origin Labeling and other agricultural trade issues, energy issues, protectionist measures like "Buy American," and other regulatory measures that affect citizens, businesses, and government interests in Manitoba.

- 23(1)(c)
- **Dentons** [REDACTED] Denton's (formerly McKenna, Long & Aldridge) has provided high-level strategic advice to engage US legislators and the US administration on issues of importance to Manitoba for more than a decade. Dentons and its principal, former US Ambassador to the Canada Gordon Giffin, have repeatedly demonstrated their ability to secure meetings with the Obama Administration and with influential members of Congress. The firm is also directly connected to the Canadian American Business Council.

- Several provinces and territories have representation in Washington, DC. Quebec maintains standalone office with several Quebec Government staff. Alberta and Ontario have co-located officials in the Canadian Embassy. Both Alberta and Saskatchewan have contracted legal and/or lobbying firms in Washington, DC to represent their interests.

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Jobs and the Economy – Financial Services Branch

SUBJECT:

- The objective of the Financial Services Branch is to facilitate the creation, growth and expansion of business in Manitoba to support the government's economic development strategies. In supporting the government's economic development strategies, the Branch administers several programs

ISSUE:

- All of the programs are experiencing some level of pressure, including financial pressures, competitive pressures, pressure from program clientele for more funding and market pressures created by changes in the economy, these include:
  - older and more established programs may require updates;
  - some newer programs are at the end of their established mandates in 2016 and require renewal;

[REDACTED]

23(1)(a)(f)

- there is a need to educate clientele, and the professional firms that serve our clientele, about the programs we offer.

- In addition to the general program pressure above, there are some specific pressures from Manitoba's innovation community.
- The first challenge is dealing with increasing financial demand on programs as a result of the community creating more start-ups. There is an expectation that the provincial government should play a role in supporting the perceived \$300,000 financial gap that the innovation community believes all start-ups face.

[REDACTED]

23(1)(a)

- Another source of pressure comes from specific industries. In the life sciences industry, it is not uncommon for companies to face more than \$10 million in up front product development and certification before they have a saleable product. The challenge is seeing how best to support the industry.

[REDACTED]

23(1)(a)

**CRITICAL BACKGROUND:**

The Branch delivers five programs that provide financial assistance to businesses, including:

- *Manitoba Industrial Opportunities Program (MIOP)* – The \$1.6 million expenditure (net of interest revenues) program commenced in the early 1990's and provides repayable, secured loans, usually in excess of \$500,000, with repayment terms that can be somewhat flexible for businesses that undertake significant investment in fixed assets and/or create new jobs. Activity under this program has reduced as commercial interest rates remain at historically low levels and commercial debt is in reasonable market supply.

The crown "plus" rates offered on MIOP loans has led the program to focus on situations where flexible approaches are required on: timing of loan principal repayments, the timing of job creation and the types of loan security being provided. The program seeks to assist situations where significant job creation can be obtained or where significant economic impact can be derived from savings jobs in threatened situations. At the current time there is approximately \$80 million in outstanding loans to 12 companies.

- *Commercialization Support for Business Program* – The \$5.1 million expenditure program provides 50% cost-shared grants, up to \$250,000, to assist Manitoba entrepreneurs and small to medium sized enterprises that are seeking to start-up, expand or modernize their business through innovation and commercialization. Approximately \$2 million (40%) of the program being allocated to assist in funding business accelerators, innovation organizations and industry associations focused on assisting small and early stage companies. The balance of the remaining \$3.2 million in funding provides assistance to eligible individual companies through three program streams.

23(1)(a)



	Stream 1		Stream 2		Stream 3		Stream 4		Total	
	#	\$	#	\$	#	\$	#	\$	# <sup>1</sup>	\$
2014/15	47	1.1	5	1.1	54	0.3	4	1.9	110	4.4

23(1)(f)

In June 2014, the CSB program went through a formal review process, was simplified to move from seven streams of funding down to four, and the requirement for an applicant to be incorporated was amended to allow sole proprietorships and partnerships to qualify for funding.

<sup>1</sup> Totals may include one company accessing multiple streams

<sup>2</sup> Forecast based on prior year's growth

23(1)(f)

- *Small Business Venture Capital Tax Credit* – The estimated \$4 million personal and corporation income tax revenue offset program provides Manitoba investors with a 45% Provincial tax credits for investing in eligible small and medium-sized Manitoba companies. The tax credit was enhanced in 2014 and the requirements for eligible companies were expanded in 2015.

23(1)(f)

- *Innovation Growth Side Car Fund* – The estimated \$1 million expenditure program provides direct equity financing, between \$200,000 and \$500,000, to early-stage Manitoba companies under the same terms and conditions as other arms-length investors. This is a three year pilot program approved for \$4.5 million, and since the beginning of the program in early 2015 there has been two \$500,000 investments placed in two companies. This program is funded from the Manitoba Opportunities Fund.  
Applications to this program are reviewed by a third party sidecar fund advisory council who provide direction and recommendations respecting the terms and conditions of the equity placement proposal. All applicants are required to obtain Cabinet approval after the proposal review by the sidecar advisory group.
- *Third Party-Managed Funds Program* – With a discontinued budget allocation, this program provided investment to venture capital limited partnerships that are managed by the private sector, who in turn invested in small to medium sized businesses. There has not been a new Third-Party fund created since 2006 and the two remaining funds are in the final stages of wind down.

As of March 31, 2016, in aggregate the six limited partnerships in the Third Party fund program had invested approximately \$174.3 million into 78 business entities. However, 4 of the 6 funds have been wound down and the two remaining mature funds are in divestiture mode and are no longer making new investments. The program, like the funds, is in a wind down phase. A listing of the funds is below:

- Manitoba Capital Fund (MCF) – a multi-sector subordinated debt fund, approved in 1996 as a \$5 million provincial investment in a \$25 million fund. This fund has been wound down;
- Manitoba Science and Technology Fund (MST) - a science and technology equity limited partnership fund, approved in 1999 as a \$2.49 million provincial investment in a \$10.0 million fund. This fund is now in active wind down by the receiver of the Crocus Fund, as it was managed by an entity controlled by the Crocus Fund;
- Renaissance Capital Fund - a multi-sector limited partnership equity fund, approved in 1999 as a \$3 million provincial investment in a \$10.2 million fund. This fund has been wound down;

23(1)(a)

- o Western Life Sciences Venture Fund LLP - a life sciences equity fund originally formed with partners from the private sector and the government of Saskatchewan. The fund was approved in 2001, as a \$5 million provincial investment (later increased to \$5.8 million) in a \$45.8 million fund. This fund has been wound down;
- o CentreStone Ventures Limited Partnership - a life sciences equity fund, approved in 2004 as a \$4.75 million provincial investment in a \$23.2 million fund. [REDACTED] and [REDACTED]
- o Canterbury Park Capital Fund Limited Partnership - a multi-sector, international equity fund, originally approved in 2006 as a \$10 million provincial investment in a \$122 million fund. The Province's investment level was capped at \$4.3 million when all the funds partners voted to significantly scale back the size of the fund (all other investors reduced their contribution on a prorata basis). This fund has been wound down.

The investment management of all of these funds was located in Winnipeg. Western Life Sciences Fund made investments in Manitoba and Saskatchewan. The Canterbury Park fund had a national/international mandate as it did make an investment in the United States as well as some in other parts of Canada. All of the other funds had a specific focus on Manitoba companies.

Each of the first three approvals (MCF, MST and Renaissance) saw the Province invest on unique terms and conditions, to each fund that, generally, saw the Province subsidize in some manner the investment returns of the other participating investors before the province saw a return.

The last 3 approvals under the program: Western Life Sciences, CentreStone, and Canterbury saw the Province invest on exactly the same terms and conditions as all the other equity partners.

Three funds have returned capital back to the Province: Canterbury returned approximately \$4.0 million or almost all of the Province's invested capital; Western Life Sciences returned approximately \$900.0 of a \$5.8 million investment capital; and Centrestone has returned just over \$200.0 back to the Province so far.

- *Labour-Sponsored Investment Funds Program* - The estimated \$0.3 million personal income tax revenue offset program provides Manitoba investors with a 15% Provincial tax credit plus access to a 15% Federal tax credit (which was extended in the recent federal budget) on annual purchases up to \$12,000 in qualifying Funds

[REDACTED]

23(1)(a)

The Branch also provides accounting and financial management and administration services to two crown corporations, including:

- *Manitoba Development Corporation* a Provincial crown corporation used to administer the portfolio of repayable financial assistance (including certain debt



transactions that are not classified as MIOP loans or guarantees), investments, the Provincial Nominee Program for Business and Manitoba Trade and Investment.

- *Manitoba Opportunities Fund (MOF)* a Provincial crown corporation used for holding and investing the Provincial allocation of investments made through the Federal Department of Immigration, Refugees and Citizenship Canada Immigrant Investor Program.

Individual papers on the Commercialization Support for Business, Provincial Capital Markets Strategy, Small Business Venture Capital Tax Credit, Innovation Growth Side Car Fund, Third Party Managed Funds, and Labour-Sponsored Investments Funds programs are available.

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**SUBJECT:**

Industry Consulting and Marketing Support Branch

**ISSUE:**

Current Initiatives.

**CRITICAL BACKGROUND:**

- Industry Consulting and Marketing Support Branch works with Manitoba companies and industry associations to improve the capabilities and competitiveness of Manitoba's manufacturing, processing and related industries, in support of the government's economic development strategies. The Branch works to support technology development/adoption and commercialization by Manitoba manufacturers for improved productivity and competitiveness. The Branch undertakes economic development activities in partnership with other government departments, municipal economic development agencies and the federal government, to support expansion by Manitoba companies and attraction of investment by non-Manitoba firms. The Branch also provides marketing-related support activities to Manitoba Jobs and the Economy.
- Project development activities within the Branch are wide-ranging and include projects that respond to company-specific opportunities, projects for industry-wide strategic development and projects stemming from government initiatives. The Branch often works in cross-departmental initiatives or in partnership with municipal and federal economic development agencies. The Branch maintains close working relationships with key industrial organizations in Manitoba, including the Canadian Manufacturers and Exporters, Manitoba Aerospace Inc., the Composites Innovation Centre and others. The branch also provides staff and office support to the Vehicle Technology Centre. The objective of all project development activities is to create and preserve jobs and investment in Manitoba.
- Key current files in which the Branch is playing a role are Air Canada and NRC Factory of the Future.

***Air Canada***

- Air Canada had historically had a major MRO presence in Winnipeg through Air Canada Technical Services (ACTS). Since 1988, the *Air Canada Public Participation Act* (ACPPA) mandated this operational presence in Winnipeg along with operations in Montreal and Mississauga. During the mid-2000's, through corporate restructuring, ACTS became an independent company, with Air Canada maintaining a minority interest. ACTS was rebranded as AVEOS Fleet Performance. In 2012, AVEOS filed for bankruptcy protection and closed its operations across Canada, laying off [REDACTED] workers in Winnipeg. SEC 23(1)(a)
- The closure of the AVEOS operations across Canada in contravention of ACPPA has been the basis of a lawsuit by the Government of Quebec in which Manitoba had intervener status. The Quebec Superior Court ruled in favour of the

Government of Quebec, and this decision was later upheld by the Quebec Appeals Court. In January 2016, Air Canada filed an appeal with the Supreme Court of Canada.

- In February 2016, Air Canada announced it would purchase up to 75 CS300 aircraft from Bombardier Inc. and would establish a facility in Montreal for their maintenance [REDACTED], the Quebec government has withdrawn its lawsuit. *SEC 18(1)(b)(c)(i)(ii)(iii)*
- Manitoba is also in discussions with Air Canada toward resolving the litigation. Air Canada has proposed assisting with the attraction of a number of smaller companies to locate maintenance operations in Manitoba in return for Manitoba renouncing any claim resulting from the Quebec court decisions. If the proposed remedy can be realized, it is estimated to result in the potential creation of 150-200 maintenance related jobs in Winnipeg. Discussions are being led by the Clerk of the Executive Council, and Industry Consulting branch has acted in an advisory capacity.

### **Factory of the Future**

- Industry Consulting has worked with the Industrial Technology Centre on efforts to facilitate the establishment by NRC of a Factory of the Future facility in Winnipeg. Details are provided in an April 15 briefing note by Trevor Cornell of the Industrial Technology Centre. In summary:
  - In November 2014, then Prime Minister Harper announced Canada's intent to invest in a new *Factory of the Future* initiative by the NRC, to support technology advancement in Canadian manufacturing. The initiative would involve building a new \$60 million facility in Winnipeg, and implementing approximately \$10 million of upgrades across existing facilities in Montreal and London.
  - To date, NRC has not finalized its decision for a specific site for the facility in Winnipeg.

[REDACTED]

*SEC 18(1)(b)(c)(i)(ii)*

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Jobs and the Economy – Industrial Technology Centre**SUBJECT:**

Background Information on the Industrial Technology Centre (ITC)

**ISSUE:**

- ITC provides a wide range of technical services in support of technology-based economic development in Manitoba.

**CRITICAL BACKGROUND:**

- The Industrial Technology Centre (ITC) was established in 1979 and commenced operations as a Special Operating Agency (SOA) of the Province of Manitoba on April 1, 1996. ITC now operates under the authority of Manitoba Jobs and the Economy.
- The mission of the ITC is "To help our clients innovate and grow by providing technical advice, analysis and services for the benefit of economic development in Manitoba".
- ITC provides a wide range of technical services in support of technology-based economic development in Manitoba.
- ITC customers include Manitoba industry, entrepreneurs, and government departments and agencies.
- Services are provided on a fee for service basis and under an Economic Development Contribution Agreement (EDCA).
- The EDCA is a performance contract with the department to support ITC's contribution to economic development activities in Manitoba.
- Clients seeking specific technical assistance may be existing or start-up enterprises, and range in size from individuals to large corporations.
- ITC received \$ 730,000 funding under the EDCA for FY 2015/16 to support its economic development activities.
- ITC's operating budget for FY 2016/17 includes revenue and expenses of \$2,836,000 (EDCA funding of \$ 730,000 and fee for service/other revenues of \$ 2,106,000).
- ITC's staff complement is 22.

***ITC provides services in the following areas:***

- Advanced Technologies:
  - Technical information and advice, including access to national and international standards;
  - Seminars and presentations on technologies, primarily for the manufacturing sector;
  - Demonstration of advanced technologies to local manufacturers;
  - Supporting companies in the introduction of new technologies that improve their productivity and new product development;

- Collaborating with local manufacturing associations, such as the Canadian Manufacturers and Exporters (CME) and the Manitoba Aerospace Association (MAA), to support their members in technology initiatives;
- Current initiatives include robotics, automation and 3D printing.
- Engineering & Technical Services:
  - 3D Laser Scanning;
  - 3D Printing;
  - Calibration;
  - Custom Data Acquisition;
  - Mechanical Testing;
  - Noise and Vibration;
  - Test equipment rental.
- Lottery Ticket Testing:
  - Security and quality assurance evaluations of instant scratch off and break open lottery tickets;
  - Customized research programs to assist lotteries in evaluating new products.
- ITC's client base comprises approximately 300 clients from a wide range of sectors, primarily within Manitoba (Lottery Ticket Testing services are delivered to international jurisdictions as well)
- ITC clients include Manitoba Hydro, New Flyer Industries Canada, Russel Metals, Manitoba Infrastructure & Transportation, Standard Aero, Motor Coach Industries, AXIS Inspection Group Ltd, Macdon Industries, Composites Innovation Centre, Aztech Services & Testing, Monarch Industries, Ancast Industries Ltd, Cadourath Aerospace, CNR, CPR, Westeel Ltd, Royal Canadian Mint, Custom Castings Ltd, Buhler/Versatile and many other SMEs
- Since ITC's inception as an SOA (FY 1996/97), clients have reported the following impacts:

Category	Total Impacts
Jobs created or saved	9,568
Increased/maintained sales	\$304.5 million
Increased investment	\$118.2 million
Cost savings	\$45.1 million

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**SUBJECT:**

National Research Council - Factory of the Future

**ISSUE:**

- Current status of the National Research Council's (NRC) plans to establish a Factory of the Future facility in Winnipeg.

**CRITICAL BACKGROUND:**

- In November 2014, Prime Minister Harper announced Canada's intention to invest in a new *Factory of the Future* initiative by the NRC, intended to support technology advancement in Canadian manufacturing. The initiative would involve investments in existing NRC facilities in London and Montreal, and the establishment of a new facility in Winnipeg. Winnipeg is planned to be the main facility in the network. A capital budget of \$70M for the initiative has been approved in the 2015-16 federal budget. [REDACTED] 18(1)(b)
- The announcement was preceded by several visits by NRC executives (John McDougall, President and Ian Potter, Vice President) to Winnipeg during 2014, to discuss the concept with government and industry. Mr. McDougall met with the Minister of Jobs and the Economy in June 2014.
- The NRC's plans for the Winnipeg facility include the following:
  - A 70-80,000 sq ft facility with several 'flexible manufacturing halls' that could be configured as required with equipment to demonstrate the feasibility of new or advanced manufacturing processes. Construction is planned to begin in 2016.
  - The site needs to be large enough to accommodate future expansion and, in order to support future initiatives related to gas turbine engine testing, would need to be near the Winnipeg airport.
  - The facility would be staffed by 80 to 100 scientific and engineering staff (mainly NRC, with the possibility of visitor staff).
  - As noted earlier, the capital budget was approved in the 2015 federal budget. NRC will fund operations through its normal operating funds.
  - The initial program will be focused on aerospace and ground transportation manufacturing and is conceived to have a timeline of approximately ten years, after which it will be reviewed by NRC.
  - Technology platforms to be potentially located in Winnipeg include: Process Design, Manufacturing Systems Engineering, Simulation & Integration, Flexible Manufacturing Pilot Laboratory, Maintenance, Repair & Overhaul Research, Manufacturing Life Cycle Assessment, Advanced Materials and Automation.
- In discussions with Manitoba, NRC has expressed a strong desire for a tangible partnership with the Province in the development of the Winnipeg facility.
- Toward the development of a provincial plan to complement the NRC facility and programming, Manitoba has had three rounds of industry consultations in the first quarter of 2015. Options for a provincial plan could include relocating the

Industrial Technology Centre from its current location at SmartPark t  
as well as locating components of other provincially-supported  
manufacturing technology-related programs/stakeholders to the airport (e.g. Red  
River College, University of Manitoba Faculty of Engineering, Vehicle Technology  
Centre, Composites Innovation Centre, etc.) Advancement of a Manitoba plan  
has been constrained by a delay in the development of the NRC's own business  
plan. Originally targeted for completion in September 2014, the NRC now plans  
to have its business plan in place in September 2015.

### Current Status

- [REDACTED]
- [REDACTED]
- On June 26, 2015, the federal government confirmed its intention to invest approximately \$60.0M to build a new "Factory of the Future" facility in Winnipeg. The announcement was made by MP for Elmwood-Transcona, Lawrence Toet, at the Magellan Aerospace facility in Winnipeg. Ian Potter, VP Engineering NRC also made a statement.
- NRC indicated that the facility would stimulate public-private sector partnerships and provide Canadian companies with easy access to various research tools, including process design; simulation and integration; maintenance, repair and overhaul research; and manufacturing lifecycle assessment. The facility would also offer a flexible manufacturing pilot train laboratory and will support the development of advanced manufacturing systems engineering, composites and biocomposites.
- [REDACTED]
- In December, 2015, Ian Potter briefed Deputy Ministers Hugh Eliasson and Fred Meier o [REDACTED] and confirmed NRC's intentions to locate their new facility in Winnipeg [REDACTED]
- [REDACTED]

18 (1) (b)  
18 (1) (c) (i) (ii)

[REDACTED]

[REDACTED]

- Any further decisions on provincial funding for infrastructure will be subject to the outcome of the site selection.
- Other options for provincial collaboration with the NRC facility (including potential relocation of the Industrial Technology Centre) will be considered later.

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18 (1) (b)  
18 (1) (c) (i) (ii)



Pages 87 to 125 inclusive  
Outside of Scope.

**MINISTERIAL BRIEFING**

**MINERAL RESOURCES**

This document is a Cabinet confidence as defined in subsection 19(1) of *The Freedom of Information and Protection of Privacy Act*

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## Proposed Briefing Schedule

The order of briefings will take place by order of priority of those issues identified in the Executive briefing note. All other briefings will be in order of priority by urgent items identified in the Ministerial briefings.

## Organization

### Department Responsibilities

#### Mines Branch

- The Mines and Minerals Act
  - Mining leases, claims and mineral exploration licenses.
  - Quarry permits.

#### Petroleum Branch

- Oil and Gas Act
  - Well licenses and seismic licenses.
  - Infrastructure approvals for oil and gas facilities.
  - Pipelines and gathering line approvals.

#### Manitoba Geological Survey (MGS)

- Provides authoritative geoscience information to support and facilitate mineral and petroleum exploration in the province.
- Conducts a broad range of geoscience activities that address land-use and environmental issues facing Manitobans.

### Organizational Structure

#### Mines Branch

Chris Beaumont-Smith, Director

204-945-6505 | [Chris.Beaumont-Smith@gov.mb.ca](mailto:Chris.Beaumont-Smith@gov.mb.ca)

The Mines Branch administers provisions under *The Mines and Minerals Act* providing for, encouraging, promoting and facilitating exploration, development and production of minerals and mineral product in Manitoba, consistent with the principles of sustainable development. The Branch is also responsible for the administration of mine closure statutes and regulations, including assessment and approval of mine closure plans and the financial security for approved mine closure plans.

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The Mines Branch develops, recommends, implements and administers policies and legislation to support the minerals industry throughout the mine life cycle, from early exploration and development, through to production, including planning to mitigate environmental concerns regarding mine closures.

In addition to administering the land tenure registry for Crown-owned mineral rights, the Branch also regulates mineral exploration, development and operation activities including workplace safety and health matters related to quarry operations.

The Branch provides Secretariat functions for the Mining Board, whose primary function is to arbitrate disputes between surface rights holders and mineral rights holders with respect to accessing minerals other than oil and gas, in addition to hearing and resolving disputes between holders of mineral dispositions, as well as between holders and officers of Manitoba Mineral Resources.

#### Petroleum Branch

Keith Lowdon, Director

204-945-6574 | [Keith.Lowdon@gov.mb.ca](mailto:Keith.Lowdon@gov.mb.ca)

The Petroleum Branch of Manitoba Mineral Resources administers provisions under The Oil and Gas Act and The Oil and Gas Production Tax Act relating to exploration, development, production and transportation of oil and gas.

The Petroleum Branch is responsible for promoting and regulating the sustainable development of Manitoba's oil and gas resources. The Branch administers Crown owned oil and gas rights, regulates oil and gas exploration, development and production operations, workplace safety and health matters related to oilfield operations, and the evaluation of the province's oil and gas resource potential.

The Branch develops, recommends, implements and administers policies and legislation, to provide for the sustainable development of Manitoba's oil and gas resources. The Branch deals with matters relating to well licencing, production allowables, pool designations, salt water disposal, enhanced recovery projects and unitization, seismic approvals and infrastructure approvals.

#### Manitoba Geological Survey

Christian Böhm, A/Director

945-6549 | [Christian.Bohm@gov.mb.ca](mailto:Christian.Bohm@gov.mb.ca)

The Manitoba Geological Survey (MGS) conducts a wide range of geoscience investigations in Manitoba's Precambrian Shield, the Western Canada Sedimentary

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Basin, and the Hudson Bay Basin. Investigations include examination of exposed bedrock, subsurface materials, and surficial sediments including sand and gravel.

The MGS was formed in 1928 and continues to incrementally improve our fundamental understanding of Manitoba's geology and location of mineral deposits. These investigations represent a long-term investment in knowledge. The MGS makes its research available to the public through a number of vehicles including geological maps and reports, metallic and industrial mineral deposit reports and databases, mineral resource assessments, targeted geoscience research, development of exploration models, and maintenance of data inventories.

This geological information represents an important resource for private sector companies as they seek to identify and select potential exploration targets. Maintaining and advancing a modern, accessible public geoscience knowledge base is recognized as one of the most important investments a government can make in its oil and gas and mineral extraction industries.

The MGS has also recently started to pursue a wider range of geoscience activities to address broader health and safety issues, including an assessment of past flood events in the Red River valley; construction of three-dimensional models of surficial materials and bedrock in southern Manitoba with implications for groundwater studies and livestock management; and an assessment of how to efficiently provide industrial mineral, aggregate and engineering information for municipalities in the most heavily populated part of the province. In this way, the MGS also contributes to sustainable development, wise land management processes, and the evaluation of potential geological hazards.

## **Key Personnel**

### **Craig Halwachs, Assistant Deputy Minister (Corporate Services)**

Craig is currently the Assistant Deputy Minister, Corporate Services for the departments of Jobs and the Economy, Labour and Immigration, Mineral Resources, and Municipal Government. In addition to his responsibilities as Assistant Deputy Minister, he is the Chief Operating Officer of Entrepreneurship Manitoba and the Assistant Deputy Minister responsible for the Taxi Cab Board.

Craig began his career in the Provincial Government of Manitoba with the Department of Finance in October 1977. Since that time, he has worked in a number of departments in financial and administrative roles, including acting as the Executive Director of Financial and Administrative for Mineral Resources, Energy and Economic Development portfolios in a series of progressively responsible assignments. In addition he has acted as Assistant Deputy Minister for Mineral Resources.

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He has developed and implemented a Shared Services Unit providing financial and administrative services to several departments and has co-chaired a Revenue Design team responsible for developing a streamlined and standardized revenue process for the Province of Manitoba.

Craig has a Certified Management Accountant (3rd level) designation and completed the Red River Business Accounting Program.

**Tim Friesen, Assistant Deputy Minister (Mineral Resources)**

Tim has 20 years of progressive management experience, with a focus on entrepreneurship, marketing, and communications. Tim is a strong advocate for resource development in Manitoba and believes in the vital importance of mineral exploration and development projects to the economies of our northern, remote and indigenous communities.

Tim holds an MBA from the Asper School of Business and a communications degree from the University of Winnipeg. Tim was appointed ADM for Mineral Resources in March 2016 after spending 7 months as Executive Vice President with the Mining Association of Manitoba and 5 years as Director of Communications and Corporate Affairs with San Gold Corporation, which operated the Rice Lake Mine.

**Chris Beaumont-Smith, Mines Branch**

Chris received his B.Sc. and Ph.D. in structural geology from the University of New Brunswick. He worked with several major Canadian gold and base metal exploration and mining companies prior to joining the Manitoba Government.

Chris was hired as a mineral deposit geologist with the Manitoba Geological Survey in 1999 and subsequently became the Acting Manager of Mineral Policy and Business Development. Chris was appointed the Director of Mines Branch in 2015.

**Keith Lowdon, Petroleum Branch**

Keith holds a BSc from the University of Brandon and joined the Petroleum Branch in 1982, initially as a Petroleum Inspector. During his years of service, Keith has worked out of all three rural offices of the Petroleum Branch in various capacities. Prior to his appointment as Director in 2007, Keith was the Manager of Digital Information Services in the Department.

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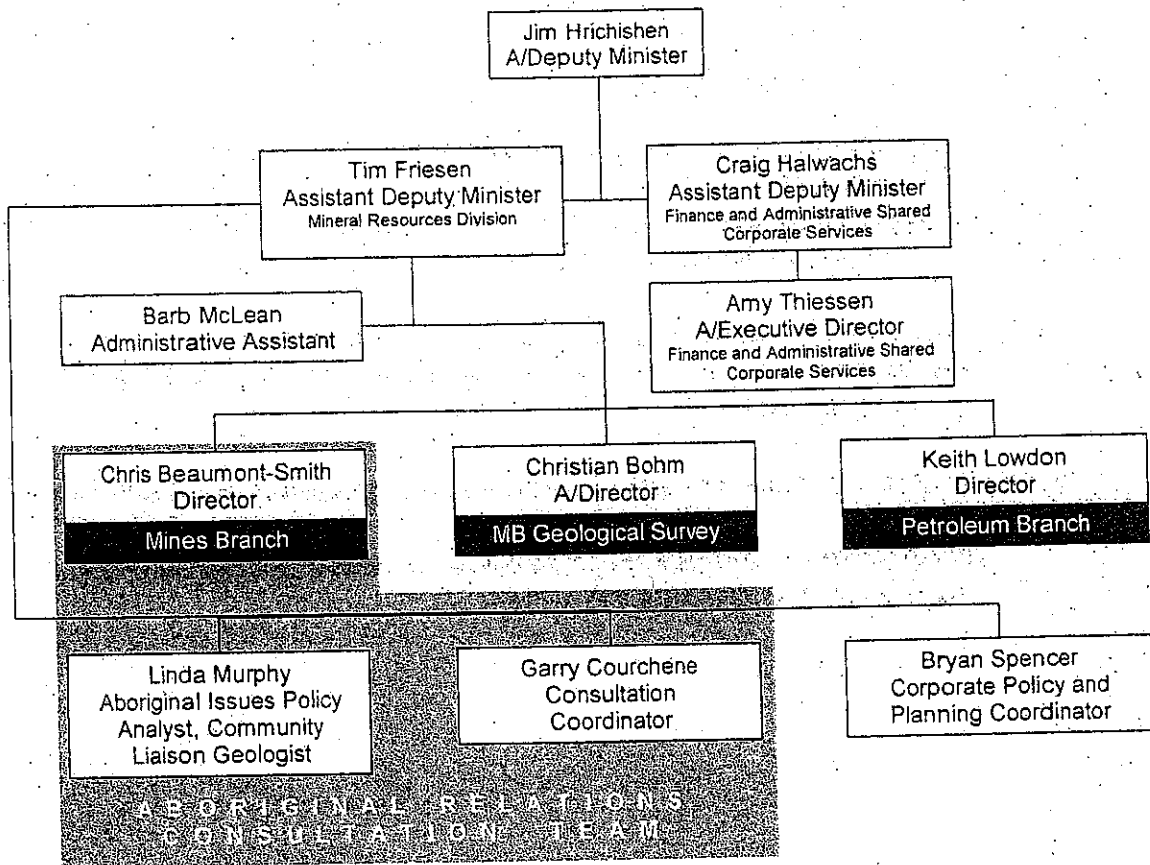
**Christian Böhm, Manitoba Geological Survey**

Christian received his diploma degree in structural geology and Ph.D. in geochronology and isotope geology from ETH Zurich in Switzerland. He did post-doctoral research and teaching at the University of Alberta in Edmonton, prior to joining the Manitoba Geological Survey in 2002.

In Manitoba, Christian's focus has primarily been on the Precambrian evolution of the Archean Superior and Hearne cratons using geological mapping, geochemistry, structural, isotope and geochronological methods. In 2009 Christian became Head of the Precambrian Mapping section, and since January 2013, the Acting Director of the Manitoba Geological Survey.

**Organization Chart**

**MANITOBA MINERAL RESOURCES**



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## Strategic Overview

### Strategic Priorities

- Encourage, promote and facilitate investment in the sustainable development of Manitoba's mineral and petroleum resources.
  - Maintain an effective and efficient fiscal, legislative and regulatory framework for exploration and development of Manitoba's mineral and petroleum resources.
  - Promote development of Manitoba's mineral and petroleum resources.
  - Address human resources skills and capacity issues in mineral sector.
  - Timely access to information on Manitoba's mineral and petroleum resources.
  
- Expand Manitoba's geological knowledge base.
  - Geoscience programming to support and advance mineral and petroleum exploration and development in the province.
  - Partner with internal and external agencies and organizations to leverage geoscience expenditures.
  
- Advance opportunities for Aboriginal and local communities involvement in resource development.
  - Increase Aboriginal participation in Manitoba's mineral sector.
  - Promote reconciliation and ongoing relationship building.
  
- Promote wise land management and access to resources.
  - Ensure fair access to lands with medium/high mineral and petroleum resource potential.
  
- Protect the environment and ensure rehabilitation of lands impacted by resource development.
  - Ensure mineral and petroleum resource development is carried out in an environmentally responsible manner.

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# Financial Overview

## Estimates of Expenditure (Summary)

APPROPRIATION	PRELIMINARY ESTIMATES OF EXPENDITURE 2016/17 \$ (000s)	CHANGE FROM 2015/16 %	ESTIMATES OF EXPENDITURE 2015/16 \$ (000s)*
MINERAL RESOURCES (18)			
<b>PART A - OPERATING</b>			
1. Administration and Finance	[REDACTED]		[REDACTED]
2. Mineral Resources	[REDACTED]		[REDACTED]
3. Costs Related to Capital Assets	[REDACTED]		[REDACTED]
<b>TOTAL PART A - OPERATING</b>	[REDACTED]		[REDACTED]
<b>SUMMARY OF PART A - OPERATING</b>			
Operating Expenditures	[REDACTED]		[REDACTED]
Capital Grants	[REDACTED]		[REDACTED]
Costs Related to Capital Assets	[REDACTED]		[REDACTED]
General Assets	[REDACTED]		[REDACTED]
Infrastructure Assets	[REDACTED]		[REDACTED]
<b>TOTAL PART A - OPERATING</b>	[REDACTED]		[REDACTED]
<b>PART B - CAPITAL INVESTMENT</b>			
18. Capital Assets			
General Assets	-		-
Infrastructure Assets	-		-
<b>TOTAL PART B - CAPITAL INVESTMENT</b>	-		-

sec. 19 (1)(b)(c)(e)  
sec. 23 (1)(f)

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# Estimates of Expenditure (Detail)

RES. NO.	APPRO. NO.	SERVICE	PRELIMINARY	ESTIMATES OF
			ESTIMATES OF EXPENDITURE 2016/17 \$ (000s)	ESTIMATES OF EXPENDITURE 2015/16 \$ (000s)

MINERAL RESOURCES (18) Continued

PART A - OPERATING

18.1 1. ADMINISTRATION AND FINANCE

- (a) Minister's Salary
- (b) Executive Support
  - (1) Salaries and Employee Benefits
  - (2) Other Expenditures
- Subtotal (b)
- (c) Administration and Finance

18.2 2. MINERAL RESOURCES

- (a) Manitoba Geological Survey
  - (1) Salaries and Employee Benefits
  - (2) Other Expenditures
- Subtotal (a)
- (b) Mines
  - (1) Salaries and Employee Benefits
  - (2) Other Expenditures
- Subtotal (b)
- (c) Petroleum
  - (1) Salaries and Employee Benefits
  - (2) Other Expenditures
- Subtotal (c)
- (d) Boards and Commissions
  - (1) Salaries and Employee Benefits
  - (2) Other Expenditures
- Subtotal (d)
- (e) Mineral Industry Support Programs
  - (1) Mineral Exploration Assistance Program
  - (2) Producers' Assistance Program
  - (3) Manitoba Potash Project
- Subtotal (e)

18.3 3. COSTS RELATED TO CAPITAL ASSETS

Provides for costs related to capital assets.

- (a) Amortization Expense
- (b) Interest Expense

TOTAL PART A - OPERATING

PART B - CAPITAL INVESTMENT

18.4 18. CAPITAL ASSETS

Provides for the development, enhancement and acquisition of capital assets.

- (a) General Assets

1. Grants administered through the Mining Community Reserve Fund.

sec. 19(1)(b)(c)(e)  
 QB (D) (F)

**Estimates of Revenue (Details)**

FOR THE FISCAL YEAR ENDING MARCH 31<sup>ST</sup>, 2017  
 DEPARTMENT OF MINERAL RESOURCES

SERVICE	PRELIMINARY ESTIMATES OF REVENUE 2016/17 \$ (000s)	ESTIMATES OF REVENUE 2015/16 \$ (000s)
1. TAXATION:		
a. Oil and Natural Gas Tax	[REDACTED]	[REDACTED]
2. OTHER REVENUE:		
a. Minerals Royalties and Fees	[REDACTED]	[REDACTED]
b. Petroleum Royalties and Fees	[REDACTED]	[REDACTED]
c. Sundry	[REDACTED]	[REDACTED]
Total Other Revenue (Mineral Resources)	[REDACTED]	[REDACTED]
Total Department of Mineral Resources	[REDACTED]	[REDACTED]

*sec. 19(1)(b)(c)(e)  
 23(1)(F)*

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**Broad Policy or Financial Pressures**

Financial Pressures

			2015/16
Liabilities for Contaminated Sites –	[REDACTED]		
Geological Survey –	[REDACTED]		
Mining Community Reserve Fund – ending balance (\$10M min - Mining Tax Act)	2016/17	2017/18	2018/19
	[REDACTED]	[REDACTED]	[REDACTED]

(b)(7) (D) (1) (1) (1)  
 See 18(1)  
 See 23(1) (2)

**Liabilities for Contaminated Sites**

The Province is responsible by legislation for the remediation of abandoned contaminated mine sites. There are currently more than 150 contaminated sites under Provincial responsibility. The OAG identified an orphaned and abandoned mine site liability of \$220 million in 2006. To date, over \$200 million has been expended addressing orphaned and abandoned mine sites.

The Province has recorded a liability of \$92 million for the cost associated with remediating these sites. An assessment of the sites in 2015/16 has indicated a requirement to increase the liability by [REDACTED]

**Manitoba Geological Survey (MGS)**

[REDACTED]

**Mining Community Reserve Fund (MCRF)**

The MCRF was established under the *Mining Tax Act* to support mining communities during adjustment periods. Any funds in excess of \$10 million can be used to encourage exploration in support of mining communities. Based on a 6% transfer of mining tax revenue and current mining tax revenue projections, approved allocations will draw the fund below \$10 million by 2018/19.

Policy Pressures

**First Nation Reconciliation / Duty to Consult / Permitting Efficiency**

Since the mid-2000s, the uncertainty related to the Crown's Duty to Consult has resulted in significant delays in issuing resource development project permits within First Nation traditional territory. This uncertainty exists across Canada, with each jurisdiction taking different approaches, with varying degrees of success. Additional factors contributing to the complexity of the issues include the interpretation of

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"Aboriginal and Treaty Rights"; what should be expected on mineral projects in addressing the significant social pressures that exist in reserve communities; and the degree of additional financial burden that should be expected from industry to advance a mineral project.

Recent federal political changes have now also introduced the concept of requiring indigenous communities to provide "Free, Prior and Informed Consent" (FPIC) for resource projects. The status of FPIC as a regulatory principal and the full implications of its implementation for permitting new projects have yet to be determined.

## Community Contacts

### Mines Branch Stakeholders

#### Operators

- Vale Canada, Manitoba Division
- Hudbay Minerals
- Alamos Gold
- Yamana Gold
- Graymont Western
- Tantalum Mining Company of Canada (Tanco)
- Klondex Mines
- DeBeers
- Canalaska
- Canickel
- Callinex
- Angloamerican
- VMS Ventures
- Rockcliff Resources
- WS Ferreira & Associates

#### Contractors and Suppliers

- KGS Group
- Arcadis Canada Inc
- Mine Waste Water Management
- TetraTech-WEI
- AMEC-Foster Wheeler
- Stantec
- Quantum Murray LPTervita Corp

- Marathon Drilling
- Major Drilling
- Cementation
- Boart Longyear
- Redpath
- Cyr International Drilling
- Alex MacIntyre & Associates
- Millenium Mechanical Contracting
- Rodren Drilling
- Dumas Mining
- Draeger

#### Industry Associations

- Mining Association of Manitoba
- Manitoba Prospectors and Developers Association (WPG)
- Manitoba-Saskatchewan Prospectors and Developers Association (The Pas)
- Manitoba Heavy Construction Association
- Northern Manitoba Sector Council
- Northern Manitoba Mining Academy

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## **Petroleum Branch Stakeholders**

### **Operators**

- Tundra Oil & Gas Partnership
- Corex Resources Ltd.
- Canadian Natural Resources Ltd.
- Crescent Point Energy Corporation
- Elcano Resources Inc.
- Fort Calgary Resources Ltd.
- Enbridge
- Pembina Pipeline Corporation
- Plains Midstream Canada
- TransCanada Pipelines Limited

### **Contractors and Suppliers**

- ATCO Midstream
- ESSO
- Tundra Energy Management

## **Manitoba Geological Survey Stakeholders**

- University of Manitoba (Geology)
- University of Winnipeg (Geology)
- Brandon University (Geology)

## **Information Technology Stakeholders**

- Pacific GeoTech Systems Ltd. (PGTS)

## **Indigenous Assemblies / Associations**

- Assembly of Manitoba Chiefs
- Manitoba Metis Federation Inc.

## **Associations**

- Canadian Association of Energy and Pipeline Landowners
- Canadian Association of Oilwell Drilling Contractors
- Canadian Association of Petroleum Landmen
- Canadian Association of Petroleum Producers
- Canadian Energy Pipeline Association
- Explorers and Producers Association of Canada
- Petroleum Service Association of Canada
- Surface Rights Association

- Manitoba Government: CWS
- Geological Survey of Canada

- Business Transformation and Technology (BTT)

- Manitoba Keewatinowi Okimakanak Inc.
- Southern Chiefs Organization Inc.

## **First Nations** (\*denotes MMAC First Nation Caucus community)

- Black River
- Brokenhead Ojibway Nation
- Bunibonibee Cree Nation\*
- Chemawawin\*
- Cross Lake First Nation
- Fisher River
- Fort Alexander (Sagkeeng)\*
- Fox Lake
- Garden Hill First Nation
- God's Lake First Nation\*
- Hollow Water
- Manto Sipi Cree Nation
- Marcel Colomb First Nation\*
- Mathias Colomb
- Misipawistik Cree Nation
- Mosakahiken Cree Nation\*

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- Nisichawayasihk Cree Nation\*
- Northlands Denesuline First Nation
- Norway House Cree Nation\*
- Opaskwayak Cree Nation\*
- O-Pipon-Na-Piwin Cree Nation
- Peguis
- Red Sucker Lake First Nation
- Sapotaweyak Cree Nation
- St. Theresa Point
- Tataskweyak Cree Nation
- Wasagamack First Nation
- Wuskwi Sipiik First Nation
- York Factory First Nation

### **Statutory Responsibilities of the Minister / Legal Framework**

The Minister of Mineral Resources is responsible for the following:

- The Mines and Minerals Act
- The Oil and Gas Act
- The Mining and Metallurgy Compensation Act
- The Oil and Gas Production Tax Act
- The Surface Rights Act
- The Thompson Nickel Belt Sustainability Act

### **Scheduled Events**

There are no events scheduled during the first 30 days, however, these are notable dates:

- Energy and Mines Public Confidence Workshop, Winnipeg, June 8-9, 2016
- Energy and Mines Ministers Conference, Winnipeg, August 21-23, 2016
- Manitoba Mining and Minerals Convention, Winnipeg, November 16-18, 2016

The Minister may wish to consider meeting with the following stakeholders during the first 30 days:

- Vale Canada, Manitoba Division
- Hudbay Minerals
- Tundra Oil & Gas Partnership
- Crescent Point Energy Corporation
- Alamos Gold
- Yamana Gold
- Graymont Western Canada
- MMAC First Nations Caucus

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## **Acronyms**

The following acronyms are commonly used in Mineral Resources:

**AMC** – Assembly of Manitoba Chiefs

**BTT** – Business Transformation and Technology

**CAEPL** – Canadian Association of Energy and Pipeline Landowners

**CAODC** – Canadian Association of Oilwell Drilling Contractors

**CAPL** – Canadian Association of Petroleum Landmen

**CAPP** – Canadian Association of Petroleum Producers

**CCME** – Canadian Council of Ministers of the Environment

**CEPA** – Canadian Energy Pipeline Association

**Click.net** – MMR's Online Convention Registration System

**CNRL** – Canadian Natural Resources Ltd

**DFO** – Department of Fisheries and Oceans

**EAL** – Environment Act License

**EPAC** – Explorers and Producers Association of Canada

**FPIC** – Free, Prior and Informed Consent (Concept developed through the UNDRIP)

**FracFocus** – is a publically accessible website which contains information related to the fluids used for hydraulic fracturing of wells in the oil and gas industry. Manitoba has joined BC and AB but is awaiting IT implementation.

**GSC** – Geological Survey of Canada

**iMaQs** -- Integrated Mining and Quarrying System

**MAMI** –Mining Association of Manitoba Inc.

**MDIP** – Manitoba Drilling and Incentive Program: a term used to describe the acts and regulations which pertain to the collection of oil and gas royalties and taxes under The

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Oil and Gas Act, The Oil and Gas Production Tax Act, The Crown Royalty & Incentive Regulation, and The Oil and Gas Production Tax Regulation.

**MEDCO** -- First Nation Mining Economic Development Corporation

**MEWLA** – Manitoba Electronic Well Licensing Application: the online program used by industry to apply for well drilling licences.

**MGS** – Manitoba Geological Survey

**MKO** -- Manitoba Keewatinowi Okimakanak Inc.

**MMAC** – Minister's Mining Advisory Council

**MOGWIS** – Manitoba Oil and Gas Well Information System – Oracle database containing all oil and gas information for Manitoba. Much of the non-confidential information is exported and used by the oil and gas industry in their investment software.

**MPAC** – Mineral Potential Assessment Committee

**MPDA** – Manitoba Prospectors and Developers Association

**MSPDA** – Manitoba-Saskatchewan Prospectors and Developers Association

**PAD** -- Petroleum Application Data

**PDAC** – Prospectors and Developers Association of Canada

**PEA** – Preliminary Economic Assessment (A formal study carried out to determine the economic viability of an ore body.)

**Petrinex** – An online program and system developed by the Alberta government and jointly owned by Saskatchewan and Alberta which collects balanced well production, pipeline and facility information, oil field waste disposal and gas emissions from the oil and gas industry. This program does not calculate taxes and royalties.

**POPS** -- Petroleum Online Production Submission

**PSAC** – Petroleum Service Association of Canada

**SCO** -- Southern Chiefs Organization Inc.

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**SSB Lands** – Soldier Settlement Board: The Federal SSB was established in 1917 to turn farm land over to returning soldiers. The Federal government erroneously assumed ownership of minerals on some of this land taken from the province, and later those minerals were deemed to be the property of the province. When First Nation communications and obligations are completed, Treasury Board has approved the signature of an agreement between Manitoba and the Federal government that will outline the process for the transfer of soldier settlement minerals and some other federal minerals to the Province, resulting in an immediate transfer of \$13 million to the province.

**TRAP** – Tax and Royalty Audit Program: a computer program utilized by the Petroleum Branch which calculates taxes and royalties to the end of 2013. Under the latest version of MDIP (January 1, 2014), the Branch does not have a program which is able to calculate taxes and royalties.

**UNDRIP** – United Nations Declaration on the Rights of Indigenous People

**WWARS** -- Weekly Well Activity Reporting System

# Index of Urgent Issues

Executive Briefing Issues	Timeline for action	Page #
Manitoba Potash Corporation Divestiture	[REDACTED]	20
[REDACTED]	[REDACTED]	21
[REDACTED]	[REDACTED]	22
First Nation Reconciliation / Potential New Mining Developments	Chiefs seeking indication of political direction in first 30 days.	23

Ministerial Briefing Issues	Timeline for action	Page #
Sherridon Mine Site Rehabilitation Program	[REDACTED]	24
[REDACTED]	[REDACTED]	25
Yamana Mineral Work Permit Issuance (Red Sucker Lake First Nation)	[REDACTED]	26
[REDACTED]	[REDACTED]	27
Godslith Claim Litigations (Campbell / Manto Sipi Cree Nation)	[REDACTED]	28
Sustainable Funding for MGS Operating Activities	[REDACTED]	30

sec. 18 (1) (b) (c) (i) (ii) (iii)  
 23 (1) (a)

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**Issue:** Manitoba Potash Corporation (MPC) Divestiture

**Current status:**

The Department contracted with Micon International Limited to develop and execute a marketing strategy to sell MPC or its potash assets to a potential purchaser. More than 50 potash producers, fertilizer producers, potash consumers, major mining companies and other potentially interested parties were invited to submit an Expression of Interest to advance to Phase II of the divestiture process.

The MPC marketing strategy was designed to emphasize the importance of maximizing the economic potential of Manitoba's potash resources while maximizing community economic benefits including local and regional employment and procurement opportunities.

The department received four responses, from Potash Corporation of Saskatchewan (PCS), Mosaic, Beechy Technology and PADCOM. The field was subsequently narrowed to PCS and PADCOM and Phase III negotiations are currently underway to determine a single party for the Phase IV detailed negotiation of a binding term sheet.

**Options:**

- The principal decision is whether to continue due diligence or proceed to Phase IV with either party. [REDACTED]
- Should a decision be made to proceed to Phase IV, final decision-making criteria may play an important role in the eventual selection of a successful candidate.

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

sec. 18(1) (b)(i)(ii)(iii)  
sec. 23(1)(a)

**Contact:**

Chris Beaumont-Smith, Director – Mines Branch  
204-945-6505 | [Chris.Beaumont-Smith@gov.mb.ca](mailto:Chris.Beaumont-Smith@gov.mb.ca)

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**Issue:**

**Current status:**

Environment Canada updated base-level industrial emissions requirements (BLIERs) in 2010 with a more stringent standard that took effect in 2015. The updated BLIERs forced smelter operators to upgrade their facilities to meet the new emission standards.

Vale Canada could not justify the capital expenditures related to upgrading the Thompson smelter and accordingly Vale announced in November 2009 that the Thompson smelter/refinery complex would close in 2015. Subsequent negotiations with Environment Canada facilitated by Manitoba resulted in the granting of an extension to the operating license for the smelter until the end of 2018.

[REDACTED]

[REDACTED]

**Contact:**

Chris Beaumont-Smith, Director – Mines Branch  
204-945-6505 | [Chris.Beaumont-Smith@gov.mb.ca](mailto:Chris.Beaumont-Smith@gov.mb.ca)

sec. 18(1)(b)(i)(ii)(iii)  
sec. 23(1)(a)

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Issue: |

Current status:

[REDACTED]

sec. 18(1)(b)(i)(ii)(iii)  
sec. 23(1)(a)

Contact:

Chris Beaumont-Smith, Director – Mines Branch  
204-945-6505 | [Chris.Beaumont-Smith@gov.mb.ca](mailto:Chris.Beaumont-Smith@gov.mb.ca)

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**Issue:** First Nation Reconciliation / Potential New Mining Developments / MMAC

**Current status:**

The following new mine developments provide significant opportunities for economic development across many Manitoba First Nation communities and for advancing the recommendations from the Truth and Reconciliation Commission in keeping with Manitoba's Bill 18 – The Path to Reconciliation. A wide range of options are available:

- Rice Lake / Klondex: Re-opening of 85-year-old mine.
- Thompson / Vale: Region below 1D footwall currently in advanced feasibility.
- Lynn Lake / Alamos Gold: In Year 2 of feasibility study.
- Monument Bay / Yamana: Considering undertaking a pre-feasibility study.

The Ministers' Mining Advisory Council (MMAC) was formed in 2013 as a forum to bring leadership from Manitoba, industry, and First Nations to advance opportunities related to mining projects such as these. The current First Nations Caucus membership represents regions of strong mineral potential, however, not all regions with active mineral projects are fully represented.

The MMAC is supported by a working group currently assigned to develop a government resource revenue framework (sharing 25% of mining tax revenue from new mines), implement Free Prior and Informed Consent (FPIC), and improve permitting timelines. Manitoba has also financed the core operations (2015/16) for the First Nation Mining Economic Development Corporation (MEDCO).

**Options:**

sec. 18(1) (b)(i) (ii) (iii)  
sec. 23(1) (a)

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**Issue:** Sherridon Mine Site Rehabilitation Program

**Current status:**

In 2013, Sherridon mine tailings were relocated into Camp Lake and flooded to provide water cover for the tailings sufficient to prevent the generation of acidic water. However, the project has had difficulty stabilizing the pH of Camp Lake since flooding took place. The near-neutral Camp Lake quickly became acidic, with a pH of 3.45 – 4.09. Lime was spread on the winter ice in February/March 2014 and mixed with Camp Lake water after ice out. This application proved an effective means of raising Camp Lake's pH.

Ongoing intervention is currently required at Camp Lake as several sources of acid loading remain from areas of the mine site that have yet to be rehabilitated. The application of lime on the ice is now the preferred method of controlling the acidity of Camp Lake as long as intervention is required. To complete the rehabilitation, lake levels need to be drawn down to provide access to these remaining areas. Once complete, natural inflows should be sufficient to stabilize the lake in perpetuity.

There is a critical need to discharge water from Camp Lake to the Cold Lake arm of Kississing Lake. In addition to the rehabilitation site access issues, the water level is at the top of the weir control structure at the north end of the lake and the project consultants are concerned there is potential for the control structure to be compromised.

MMR has worked closely with Sherridon community council over the past few years and provided regular project updates in advance of their monthly council meetings. The community remains concerned about any discharge into Kississing Lake as the lake provides an important economic base for the community through its recreation opportunities and related tourism draw. The discharge was delayed in 2015 as there was limited time to explain the results realized through the application of lime. The project was then abandoned for the year once Camp Lake's water quality had deteriorated to the point where discharge was no longer possible.

Some community members remain opposed to any discharge from Camp Lake, however, based on last year's results the application of lime will provide a number of months where water quality is within Metal Mining Effluent Regulation (MMER) guidelines and can be safely discharged from Camp Lake.

**Options:**

[REDACTED]

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(b)(3)(i)(ii)(iii)  
Sec. 18(1)  
Sec. 2.3(1) (a)

Issue: [REDACTED]

Current status: [REDACTED]

Options: [REDACTED]

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sec. 18 (1) (b) (i) (ii) (iii)  
sec. 23 (1) (a)

**Issue:** Yamana Mineral Work Permit Issuance (Red Sucker Lake First Nation)

**Current status:**

MMR is conducting community consultation with Red Sucker Lake First Nation regarding the issuance of a work permit authorizing Yamana Gold's 2016 Monument Bay 45,000 metre exploration diamond drilling program and the issuance of a general permit for their Twin Lakes exploration camp. The project has been active continuously since 2010. It employs 35 people seasonally, with approximately 20 from RSLFN. As part of the current consultation process, RSLFN has requested financial contributions from Yamana that are well beyond the industry standard 2-3% of planned exploration. The current work permit expires April 30, 2016.

The Monument Bay project is a large gold-tungsten advanced-exploration project located 60 km north of Red Sucker Lake First Nation. The deposit was discovered in 1989 and work intensified in 2010 with the acquisition of the project by Mega Precious Metals. Monument Bay was acquired from Mega Precious Metals in 2015 by Yamana Gold Corp. a mid-tier Canadian gold producer with mines in Latin and Central America and Canada. This is Yamana's only advanced exploration project, and its acquisition has raised expectations of benefits from the Monument Bay project within RSLFN.

The relationship with RSLFN has experienced considerable strain in recent years. An eviction order was issued to Mega by RSLFN in 2013. An injunction was subsequently granted against RSLFN preventing further disruptions of Mega's exploration activities. The relationship was re-established in August 2014 with RSLFN and Mega recommitting to an MOU and lifting their injunction. A consultation protocol was renewed between RSLFN and MMR. Annual work permits continue to be issued authorizing exploration activities at the Monument Bay project. MMR supports a full time consultation coordinator, Fred Harper.

In addition to direct financial support to the community for consultation, MMR has retained Ishkonigan Consulting and Mediation to provide RSLFN with guidance on issues of community capacity development and economic development opportunities. Through Ishkonigan's engagement, RSLFN recently purchased Red Sucker Lake Air Services, which provides limited air service support to the Monument Bay project.

**Options:**

• [REDACTED]  
• [REDACTED]  
• [REDACTED]

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sec. 18(1) (b)(1)(ii)(iii)  
sec. 23(1)(a)

**Issue:** Graymont Quarry Tenure / Sapotaweyak CN TLE Selection

**Current status:**

Graymont, Sapotaweyak Cree Nation (SCN) and Manitoba have agreed to develop three agreements to resolve an impasse on the renewal of Graymont's quarry leases in Sapotaweyak traditional territory.

- Agreement 1 will result in the surrender of existing Graymont quarry leases covered by SCN TLE selections in exchange for a right of first refusal on quarry development to Graymont.
- Agreement 2 will result in the issuance of new quarry leases with similar reciprocal terms as Agreement 1 outside of TLE selections.
- Agreement 3 will set out the terms for the purchase of Crown land by SCN beyond their TLE selections.

Agreements 1 and 2 are in the final stages of preparation while Agreement 3 is in the early stage of development. The timing of the execution of the agreements is in dispute with SCN linking the three agreements, while Manitoba believes the agreements can be signed as they are finalized.

For Agreement 3, SCN has provided Crown Lands Branch (CLB) with a list of parcels they are interested in purchasing and the parcels are under review. CLB is developing a process to enable the purchase of Crown land by SCN. Agreement 3 is in negotiation/development by Legal Services and Crown Lands Branches. Progress on this agreement will require "Provincial direction" to CLB. Little progress has so far been made on the actual content of the agreement. Due to delays in drafting Agreement 3, the linking of the three agreements is delaying the signing of Agreements 1 and 2.

**Options:**

- [REDACTED]
- [REDACTED]

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(b)(1)(ii)(i)

Sec. 18(1)  
Sec. 23(1)(a)

**Issue:** Godslith Claim litigations (Manto Sipi Cree Nation / Campbell)

**Current status:**

Manitoba is a defendant in two separate law suits filed by Manto Sipi Cree Nation (MSCN) and the claim holder James Campbell related to the Godslith Claim. The Godslith claim was staked in 1984, and the area surrounding the Godslith claim was selected by MSCN under the Treaty Land Entitlement Framework Agreement in 2001. As the selected land was encumbered by the pre-existing mineral interest, it was not available to be transferred to MSCN until the interest could be resolved to the satisfaction of the affected stakeholders, including the holder of the claim. In 2004, Mr. Campbell acquired the claim from the previous holder.

MSCN's law suit relates to whether Manitoba has fulfilled its obligations to MSCN under the TLE Framework Agreement and seeks damages based upon Manitoba's alleged failure to transfer the Godslith claim and surrounding lands to MSCN in a timely fashion. In 2008, MSCN expressed concerns about a Mines Branch decision to extend Godslith Mining Claim W45426 in good standing for one year from October 3, 2008 under the *Mines and Mineral Act*. MSCN contends the claim should have been allowed to expire at which time MSCN would be able to include the area within its TLE Selection. |

sec. 23(1)(a)

sec. 27(1)(a)(b)

Mr. Campbell's law suit claims that Manitoba expropriated the Godslith claim from him by refusing or failing to issue the requested work permits. He is also claiming damages as a result of the delay in making a decision in respect of the work permits, and he alleges he suffered economic loss when investors terminated their option agreement with Mr. Campbell. Manitoba has defended the claim on a number of grounds, including that the Godslith claim has not been expropriated and it remains in good standing, despite the delays in decisions regarding the work permits. Manitoba has also advanced the position that Mr. Campbell does not have the legal standing to claim damages related to the Crown's consultation activities.

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Options:

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sec. 23 (1) (a)  
sec. 28 (1) (c) (i)

**Issue:** Sustainable Funding for MGS Operating Activities

**Current status:**

The Manitoba Geological Survey (MGS) undertakes significant geoscience fieldwork programs each year that provide important advances for understanding the underlying pressures, formations, and historical events that have combined to create Manitoba's current geologic land base.

This data is used by private industry to identify new opportunities for oil, gas and mineral exploration and development. It is also increasingly being used to better understand the risk potential from natural events, such as ground filtration properties related to flooding and groundwater safety; and characteristics important for engineering stability. It is also becoming increasingly important for determining supply sources for aggregate and other materials required by municipal and regional governments as part of their ongoing operations.

Funding required for geological fieldwork represents the principal source of non-salaried funding available to the department. As a result, it is often the only funding source available to fulfill programs within existing budget allocations.

[REDACTED]

[REDACTED]

[REDACTED]

**Options:**

- [REDACTED]
- [REDACTED]

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sec. 18(1)(b)(i)(ii)(iii)  
sec. 23(1)(a)(f)

**Departmental Briefing Materials**




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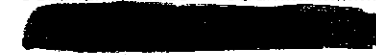
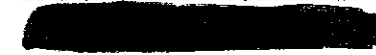
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## Mineral Resources

**SUBJECT:**

Significant Legislative Changes since 2000

**ISSUE:**

The following provides a summary of the significant legislative changes affecting Mineral Resources since 2000.

**CRITICAL BACKGROUND:****Mines Branch**

- The Mines and Minerals Act was amended in 2002 with the Mineral Disposition and Lease Regulation M.R. 178/2002, introducing Mineral Exploration Licenses as a form of disposition and adding provisions for electronic submission of reports of work.
- Mineral Disposition and Lease Regulation M.R. 7/2006 - fee revisions
- Mineral Disposition and Lease Regulation M.R. 203/2011 provided expanded electronic availability for statutory submissions.
- Mineral Disposition and Lease Regulation M.R. 58/2013 - fee revisions
- Prospectors Assistance Program Regulation M.R. 202/2011 increases to eligible costs and amount of support available.

**Petroleum Branch**

- The Oil and Gas Amendment Act and Oil and Gas Production Tax Amendment Act SM 2005, c 25 making changes to mechanisms to investigate matters referred to the Minister and changes to the handling of applications and definitions under these Acts.
- Crown Royalty and Incentive Regulation M.R.201/2013 with additional revisions in 2007, 2002 as a regulation to support the Manitoba Drilling and Production Incentive Program.
- Drilling and Production Regulation M.R.180/2010 - fee revisions
- Geophysical Regulation M.R.181/2010 - fee revision
- Oil and Gas Production Tax Regulation M.R.202/2013 with additional revisions in 2007, 2002 as a regulation to support the Manitoba Drilling and Production Incentive Program.

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Mines Branch

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**Manitoba**   
MINERAL RESOURCES

## Mineral Resources – Mines Branch

**SUBJECT:**

Operating Mines in Manitoba

**ISSUE:**

There are 5 operating mines in Manitoba, producing both base metals and precious metals either as a concentrate or as a finished product. The value of this production was \$1.06 billion in 2015 (preliminary estimate), down from \$1.17 billion in 2014.

**CRITICAL BACKGROUND:**

Operating Manitoba Mines	Mine	Location	Date Opened	Metals Mined
HudBay Minerals Inc.	777 Mine	Flin Flon	2000	copper, zinc
HudBay Minerals Inc.	Reed Mine	Flin Flon	2014	copper
HudBay Minerals Inc.	Lalor Mine	Snow Lake	2014	copper, zinc, gold
Vale Limited	Thompson mine T1, T3 & I-D	Thompson	1958	nickel, copper
Vale Limited	Birchtree Mine	Thompson	1968	nickel, copper
Tantalum Mining Corporation of Canada, Ltd. STAND-BY	Tanco Mine	Lac du Bonnet	1969	cesium
Klondex Mines STAND-BY	Rice Lake Mine	Bissett	2006	gold
Klondex Mines DECOMMISSIONED	Hinge-007 Mine	Bissett	2009	gold
CaNickel Mining Corp STAND-BY	Bucko Mine	Wabowden	2009	nickel

Proportion, by value, of each mineral in Manitoba's metallic mineral production (2015):

Nickel	43%	Silver	2%
Copper	25%	Cobalt	1%
Zinc	16%	Selenium	0.10%
Gold	14%	Cesium	n/a

Continuing instability in global economics and financial markets has created uncertainty in mineral investment, resulting in a reappraisal of exploration projects and is expected to negatively impact near-term exploration spending intentions. Present total employment levels – approximately 3,200 at operating mines. Labour shortages still exist for qualified tradesmen and miners.

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## Mineral Resources – Mines Branch

**SUBJECT:**

Exploration Expenditures in Manitoba

**ISSUE:**

Exploration expenditures for 2015 were \$35.2 million, representing 2.1% of the \$1.7 billion spent in Canada last year. The department has set a target of attracting 5% of Canadian exploration investment.

The Fraser Institute annual survey of mining companies compares jurisdictions around the globe on a variety of geologic, market and regulatory factors. Manitoba's ranking in the Investment Attractiveness Index dropped from 5<sup>th</sup> to 19<sup>th</sup> globally, a ranking that places Manitoba 6<sup>th</sup> in Canada behind Saskatchewan, Quebec, Yukon, Ontario and British Columbia. This is in contrast to 2007 when Manitoba was the top jurisdiction in the global survey and a perennial top 10 jurisdiction.

The mining and mineral exploration sector continues to struggle as a result of low commodity prices and tight capital markets. Canadian exploration expenditures are forecast to be \$1.4 billion this year, a third the amount spent in 2011 when the industry was at its peak. Manitoba exploration expenditures have declined faster than the national average, down 75% from the 2011 peak of \$140 million.

	2011		2012		2013		2014		2015 estimate		2016 forecast	
	(\$M)	(%)	(\$M)	(%)	(\$M)	(%)	(\$M)	(%)	(\$M)	(%)	(\$M)	%
ON	1,067.7	25.3	961.5	24.8	562.0	23.9	468.1	23.2	393.3	23.0	351.3	25.1
BC	645.1	15.3	734.1	18.9	493.0	21.0	448.9	22.3	331.1	19.4	228.7	16.3
SK	334.6	7.9	411.1	10.6	221.7	9.4	245.2	12.2	258.1	15.1	229.9	16.4
QC	833.9	19.7	620.7	16.0	381.8	16.2	317.4	15.7	220.1	12.9	218.6	15.6
NU	535.7	12.7	422.5	10.9	257.6	11.0	158.0	7.8	215.1	12.6	109.9	7.8
NT	93.8	2.2	108.7	2.8	77.9	3.3	101.7	5.0	100.2	5.9	99.3	7.1
YK	331.7	7.8	233.2	6.0	100.6	4.3	107.1	5.3	73.3	4.3	56.4	4.0
NL	156.8	3.7	199.9	5.2	117.2	5.0	80.7	4.0	47.5	2.8	19.6	1.4
MB	140.0	3.3	105.6	2.7	61.4	2.6	28.0	1.4	35.2	2.1	43.9	3.1
AB	47.3	1.1	35.2	0.9	38.9	1.7	26.1	1.3	17.4	1.0	25.6	1.8
NS	13.7	0.3	14.6	0.4	12.3	0.5	7.0	0.3	9.6	0.6	5.7	0.4
NB	27.1	0.6	28.0	0.7	27.6	1.2	29.0	1.4	8.2	0.5	11.7	0.8
CA	4,227.40		3,875.10		2,352.00		2,017.40		1,709.20		1,400.80	

Source: NRCAN <http://sead.nrcan.gc.ca/expl-expl/ExploTable.aspx?FileT=27&Lang=en> – April 16, 2016

**CRITICAL BACKGROUND:**

The three main reasons for Manitoba's accelerated decline in exploration expenditures are as follows: challenging equity markets, land access issues (Protected Areas, BiPole III, resource development in provincial parks, WNO), and permitting delays associated with indigenous consultation.

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## Mineral Resources – Mines Branch

**SUBJECT:**

Prominent Exploration Projects

**ISSUE:**

One of the main tasks of the department is to provide a positive investment climate for mineral projects in Manitoba. To facilitate this goal, the department closely monitors exploration projects as they reach advanced exploration and then production phase.

**CRITICAL BACKGROUND:****Advanced Exploration Projects**

**Alamos Gold** is advancing the Lynn Lake gold project through a feasibility study. The project started as a joint venture in late 2014 between Carlisle Goldfields and Alamos to advance the MacLellan and Farley Lake projects. Alamos subsequently acquired Carlisle and now owns 100% of the project. Alamos and Carlisle signed an Exploration Agreement with the Marcel Colomb First Nation that formalizes the relationship and outlines a timetable for negotiation of an Impact Benefit Agreement, a first for Manitoba.

**Yamana Gold Inc.** acquired all of the outstanding common shares of Mega Precious Metals Inc in June of 2015 and took over the advanced Monument Bay gold project. The project is proceeding toward feasibility study. The recent inclusion of recoverable tungsten significantly improves the project's economics, with a gold resource approaching 3 million ounces. On July 28, 2014 Mega and Red Sucker Lake First Nation signed an MOU which will be in place for a period of two years subject to compliance of both parties. Yamana Gold Inc. will continue to advance the Monument Bay Project. This has significant potential for additional mineral discoveries.

**Minnova Corp.** (name change from Auriga Gold Corp.) is working towards the restarting of the past producing Puffy Lake gold mine at their Maverick Gold project south of Sherridon. To reach production, Maverick needs an estimated \$26 million. Approximately \$10 million would refurbish the on-site mill, which is in excellent condition and capable of processing 1,000 tonnes of ore a day. The rest of the money would be reserved for mine dewatering and testing, underground development and contingency purposes. The Company completed an updated Preliminary Economic Assessment (PEA) which supports average annual production of 48,100 ounces over a +10 year mine life. On September 9th, Minnova announced that they have received confirmation from the Canadian Environmental Assessment Agency that the Agency is now satisfied that the Puffy Lake mine re-start is not required to submit a project description. The mine can now advance under its existing Environmental Act License which allows for underground mining and processing at a throughput rate of 600 tonnes per day. The tailings impoundment area uses nearby Ragged Lake, which is included in the existing license, but will need federal licensing. Minnova is also experiencing difficulties engaging Mathias Colomb Cree Nation.

**Victory Nickel Inc.** owns one of Canada's largest undeveloped sulphide nickel deposits. Since receiving an Environmental Act License in 2011, Victory has been

unsuccessful in securing financing for the initial stages of development for the \$600 million nickel and frac sand mine. Victory filed a Notice of Alteration (NOA) to relocate the tailings management facility in December 2013. Victory Silica was subsequently formed, with the assistance of Economic Development Winnipeg to market the frac sand resource overlying their nickel resource. Victory Silica has since ceased operations and become insolvent.

**Callinex Mines** is exploring a large land package in the Flin Flon region. They recently made a new VMS discovery at their Pine Bay project which has the potential to be indicative of a deposit similar to the 777 mine.

**Wolfden Resource Corp** has discovered additional nickel mineralization at their Rice Island property near Snow Lake. Wolfden is currently involved in a dispute to the Mining Board related to ownership of the Rice Island property. The dispute hinges on Mineral Resources' determination that pre-prepared ink stamps cannot be used for staking.

### **Exploration Projects in Production**

**HudBay Minerals Inc.** discovered the Lalor mine in 2007 and was permitted, built and commissioned by September 2014. Lalor mine is 13 kilometres west of Snow Lake and contains gold, copper, zinc and silver. Production at Lalor commenced in 2014 and is expected to continue until 2030 and beyond. The total budget for construction of the mine was \$441 million and its ore is being processed at the refurbished Snow Lake concentrator, which now has a capacity of 2,700 tonnes per day. HudBay recently purchased the idle New Britannia gold mine in Snow Lake with the intention of refurbishing the mill and processing 2,000 tonnes per day of Lalor mine gold ore.

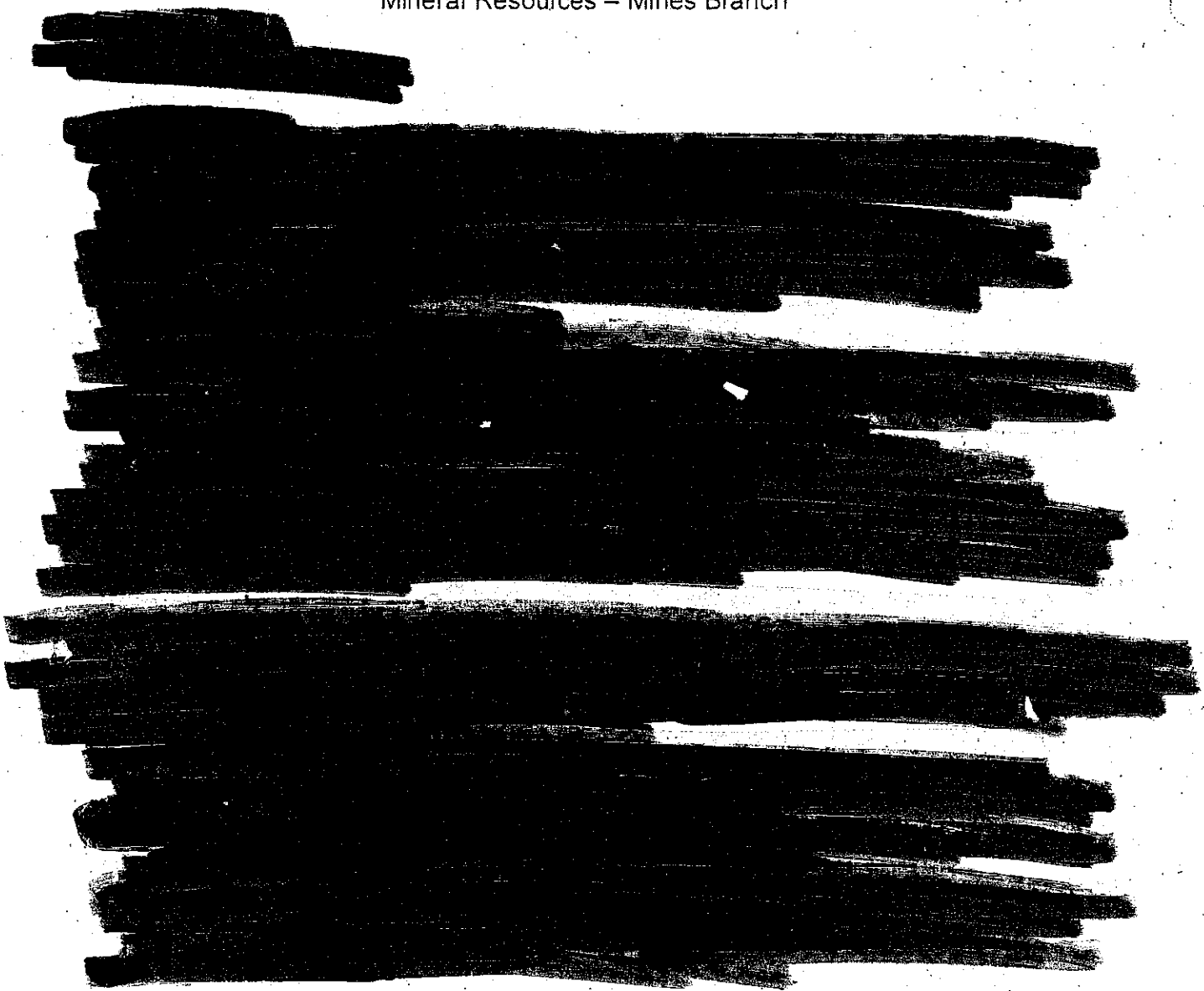
**HudBay Minerals, Inc.** (70%) and VMS Ventures Inc. (30%) discovered the Reed mine in 2007. The Reed project is located in Grass River Provincial Park. The Reed copper mine commenced initial production in September 2013 and achieved commercial production at the end of the first quarter of 2014. The mine expects to add approximately 15,000 tonnes of annual copper production over a five-year mine life. It is located 120 kilometres from Flin Flon and ore is trucked to the Flin Flon concentrator for processing. VMS announced on February 1, 2016 they are being acquired by Ontario-based Royal Nickel Corp.

**Klondex Mines Ltd.** recently acquired the Rice Lake mine in Bissett, formerly operated by San Gold Corp. The senior secured creditor of San Gold assumed the assets (mine, equipment and properties) on San Gold's bankruptcy in June 2015. San Gold had operated the mine since 2005. It raised approximately \$500 million from capital markets and generated a similar amount through gold sales prior to its bankruptcy. The creditor (Shoreline Gold) sold the assets to Klondex Mines in January, 2016. Klondex plans to revise the mine plan over the next few months, targeting a new gold trend in the hanging wall region to the north of existing infrastructure, as they work toward reopening the mine. A production decision is scheduled for the Q4 2016.

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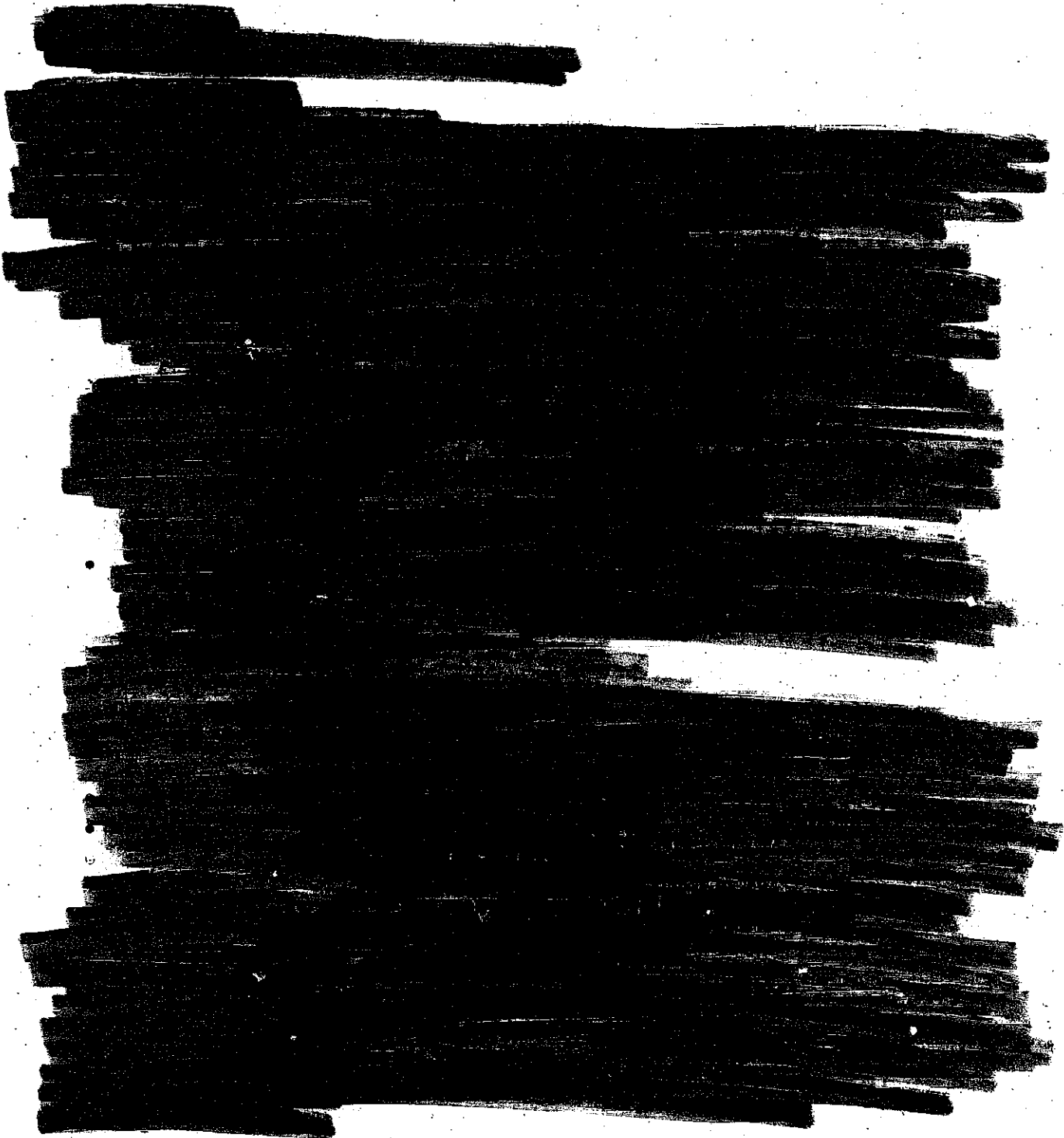






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Ministerial Briefing

**Mineral Resources – Mines Branch Issues****SUBJECT:**

Tantalum Mining Corporation of Canada, Ltd. (TANCO)

**ISSUE:**

On September 16th, 2015 Tanco indicated they will be suspending mining operations with the possibility of a temporary layoff of approximately 15 people. Ore has been stockpiled on surface and sufficient to supply the chemical plant for approximately one year. Tanco is continuing to operate the chemical plant during this time.

**CRITICAL BACKGROUND:**

TANCO is a wholly owned subsidiary of Cabot Corporation since 1993 and has been in operation near Lac du Bonnet, Manitoba since 1969. Tanco mines a pollucite from which they produce cesium formate. Cesium formate is used by the oil companies as a drilling mud mainly in the North Sea. Since the price of crude oil has gone down, the demand for cesium has decreased by the oil companies. Tanco is the only operation worldwide that produces cesium formate. Companies prefer this product because it is the most environmentally-friendly option available and can be re-used.

**Mine Failure**

In March 2013, there was a significant fall of ground (2,5000 tonne) from the roof of the Tanco Mine. The last fall of ground occurred in 2010. The fall of ground occurred in an area of the mine that is under Bernic Lake.

Recent mining operations have focused on the east zone of the mine, an area not affected by the crown pillar instability. Tanco has identified a potential new source of ore from the west zone to supply the surface plant. Tanco received approval for a quarry permit to provide rock backfill to support future west zone mining activities.

**Consultation with Sagkeeng First Nation**

Tanco Mine is located within the area that is considered to be traditional territory of Sagkeeng First Nation. Tanco Mine and Sagkeeng First Nation signed a Memorandum of Understanding (MOU) on February 7th, 2014. Tanco continues to engage Sagkeeng First Nation on the operations at the mine and is in discussions to reach a formal agreement with the First Nations on economic benefits. Tanco will update the Manitoba Government on what the plans are for the upcoming year. Tanco has targeted increasing First Nations employment to 20% of the total workforce.

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Ministerial Briefing

Mineral Resources – Mines Branch

**SUBJECT:**

Yamana Mineral Work Permit Issuance (Red Sucker Lake First Nation)

**ISSUE:**

MMR is pursuing an unconventional approach to consultation with RSLFN related to Yamana Gold's 2016 Monument Bay 45,000 metre exploration diamond drilling program and the issuance of a general permit for their Twin Lakes exploration camp. This approach is attempting to construct a strong relationship with the community in anticipation of future production and a potential increase in mineral exploration.

MMR is concluding consultation related to Yamana's current work permit application. The department has not identified infringements on rights that would delay the issuance of the permit. Community support for the project, however, remains unclear.

In addition to direct financial support to the community for consultation, MMR has retained Ishkonigan Consulting and Mediation to provide RSLFN with guidance on issues of community capacity development and economic development opportunities. Through Ishkonigan's engagement, RSLFN recently purchased Red Sucker Lake Air Services, which provides limited air service support to the Monument Bay project.

**CRITICAL BACKGROUND:**

The Monument Bay project has been active continuously since 2010. It employs 35 people seasonally, with approximately 20 from RSLFN. As part of the current consultation process, RSLFN has requested financial contributions from Yamana that are well beyond the industry standard 2-3% of planned exploration. The current work permit expires April 30, 2016.

The gold-tungsten project is located 60 km north of RSLFN. The deposit was discovered in 1989 and work intensified in 2010 when Mega Precious Metals acquired the project. Mega Precious Metals was then acquired in 2015 by Yamana Gold Corp., a mid-tier Canadian gold producer with mines in Latin and Central America and Canada. This is Yamana's only advanced exploration project, and its acquisition has raised expectations of benefits from the Monument Bay project within RSLFN.

The relationship with RSLFN has experienced considerable strain in recent years. An eviction order was issued to Mega by RSLFN in 2013. An injunction was subsequently granted against RSLFN preventing further disruptions of Mega's exploration activities. The relationship was re-established in August 2014 with RSLFN and Mega recommitting to an MOU and lifting their injunction. A consultation protocol was renewed between RSLFN and MMR. Annual work permits continue to be issued authorizing exploration activities at the Monument Bay project. MMR supports a full time consultation coordinator, Fred Harper.

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**SUBJECT:**

Sherridon Mine Site Rehabilitation Program

**ISSUE:**

A decision may be required in spring/summer 2016 to discharge water that meets Metal Mining Effluent Regulation (MMER) water quality guidelines without the support of some community members.

Some community members remain opposed to any discharge from Camp Lake, however, based on last year's results the application of lime will provide a number of months where water quality is within MMER guidelines and can be safely discharged from Camp Lake.

**CRITICAL BACKGROUND:**

In 2013, Sherridon mine tailings were relocated into Camp Lake and flooded to provide water cover for the tailings sufficient to prevent the generation of acidic water. However, the project has had difficulty stabilizing the pH of Camp Lake since flooding took place. The near-neutral Camp Lake quickly became acidic, with a pH of 3.45 – 4.09. Lime was spread on the winter ice in February/March 2014, 2015, and 2016, and mixed with Camp Lake water after ice out. This application proved an effective means of raising Camp Lake's pH and generating acceptable water quality.

Ongoing intervention is currently required at Camp Lake as several sources of acid loading remain from areas of the mine site that have yet to be rehabilitated. The application of lime on the ice is now the preferred method of controlling the acidity of Camp Lake as long as intervention is required. To complete the rehabilitation, lake levels need to be drawn down to provide access to these remaining areas. Once complete, natural inflows should be sufficient to stabilize the lake in perpetuity.

There is a critical need to discharge water from Camp Lake to the Cold Lake arm of Kississing Lake. In addition to the rehabilitation site access issues, the water level is at the top of the weir control structure at the north end of the lake and the project consultants are concerned there is potential for the control structure to be compromised.

MMR has worked closely with Sherridon community council over the past few years and provided regular project updates in advance of their monthly council meetings. The community remains concerned about any discharge into Kississing Lake as the lake provides an important economic base for the community through its recreation opportunities and related tourism draw. The discharge was delayed in 2015 as there was limited time to explain the results realized through the application of lime. The project was then abandoned for the year once Camp Lake's water quality had deteriorated to the point where discharge was no longer possible.

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**SUBJECT:**

Godslith Claim Litigations (Campbell / Manto Sipi Cree Nation)

**ISSUE:**

Manitoba is a defendant in two separate lawsuits filed by Manto Sipi Cree Nation (MSCN) and the claim holder James Campbell related to the Godslith Claim. The Godslith claim was staked in 1984, and the area surrounding the Godslith claim was selected by MSCN under the Treaty Land Entitlement Framework Agreement (TLE) in 2001. As the selected land was encumbered by the pre-existing mineral interest, it was not available to be transferred to MSCN until the interest could be resolved to the satisfaction of the affected stakeholders, including the holder of the claim. In 2004, Mr. Campbell acquired the claim from the previous holder.

**CRITICAL BACKGROUND:**

**MSCN Claim:** MSCN's lawsuit relates to whether Manitoba has fulfilled its obligations to MSCN under the TLE and seeks damages based upon Manitoba's alleged failure to transfer the Godslith claim and surrounding lands to MSCN in a timely fashion. In 2008, MSCN expressed concerns about a Mines Branch decision to extend Godslith Mining Claim W45426 in good standing for one year from October 3, 2008 under the *Mines and Mineral Act*. MSCN contends the claim should have been allowed to expire at which time MSCN would be able to include the area within its TLE Selection. Many hours and more than \$100,000 has been spent to review and address MSCN's concerns including an independent review panel co-chaired by Eugene Kostyra and Bruce McIvor and a separate process facilitated by a third-party selected by MSCN (Lloyd Girman).



sec. 27(1)(a)(b)

**Campbell Claim:** Mr. Campbell's lawsuit claims that Manitoba effectively expropriated the Godslith claim from him by refusing or failing to issue work permits for more than four years. He is also claiming damages as a result of the delay in making a decision in respect of the work permits, and he alleges he suffered economic loss when investors terminated their option agreement with Mr. Campbell. Manitoba has defended the claim on a number of grounds, including that the Godslith claim has not been expropriated and it remains in good standing, despite the delays in decisions regarding the work permits. Manitoba has also advanced the position that Mr. Campbell does not have the legal standing to claim damages related to the Crown's consultation activities.

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**Mineral Resources – Mines Branch****SUBJECT:**

Resource Management Boards (RMBs) – Northern Flood Agreements

**ISSUE:**

Mineral Resources is advocating to have a seat on all of the Resource Management Boards in order to have better communications and information sharing relationships with the First Nation communities.

**CRITICAL BACKGROUND:**

Manitoba is signatory to nine resource management boards established as a result of Hydroelectric and other settlement agreements. The RMBs were established to develop and implement land use and resource management planning, facilitate consultation and open communication in natural resources management, facilitate cooperative decision-making within RMAs and provide recommendations on Provincial allocations and dispositions.

Mineral Resources currently sits on three RMBs:

- Nelson House (Nisichawayasihk Cree Nation).
- Split Lake (Tataskweyak Cree Nation).
- Norway House.

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## Mineral Resources – Mines Branch

**SUBJECT:**

Integrated Mining and Quarrying System (iMaQs)

**ISSUE:**

iMaQs is a system integrating nine stand-alone Mines Branch applications, and is designed to provide clients with 24/7 electronic access to acquire and manage all mineral and quarry dispositions. This process has been promised to the mining industry since 2004 and has been adopted by most other Canadian jurisdictions. Full implementation of iMaQs has been stalled, however, due client resistance to electronic staking, which has resulted in significant inefficiencies within the department.

**CRITICAL BACKGROUND:**

The original iMaQs project was developed to institute online electronic claim staking. To do this, *The Mines and Minerals Act* needed amending to make iMaQs the official Registry of all mineral dispositions and leases in the Province and to make it the only vehicle to conduct business with the Mines Branch.

The project was well advanced when client consultations in 2010 determined that there was considerable resistance to the move to an electronic system for mineral tenure acquisition. Accordingly it was announced *The Mines and Minerals Act* would not be opened for amendment. It was decided to use the program as best possible to administer dispositions under the current legal regime. This meant programming had to be changed to reflect the current business rules for existing dispositions. The project moved from an entirely client driven online interaction with Mines Branch to one that could accommodate all types of interactions with the Branch to conduct business and enable staff to input data on behalf of clients.

iMaQs for Mining was launched internally on April 6, 2011 and for Quarrying on January 20, 2012 using the modified iMaQs which follows rules set out under the current Mines Act. iMaQs for Mining was available externally as of February 2012, and iMaQs is available for quarrying on a limited basis. Other quarrying functions are planned to be available in the near future. Once implemented, many internal processes will be streamlined, improving efficiencies within the Mines Branch.

Notable issues resulting from this transition include the program's requirement to rigidly apply business rules developed from Regulation. This prevents Mine and Quarry Recorders from applying discretion and has resulted in difficulty issuing some dispositions. This introduces complex and time consuming system work-arounds. Issuing casual quarry permits early in the year is a particular problem, due to restrictions imposed by iMaQs and a 45-day review period afforded Resources Management Boards. Mines Branch is working with stakeholders to resolve these issues.

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Manitoba Geological Survey

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**Manitoba**   
MINERAL RESOURCES

Mineral Resources - Manitoba Geological Survey

SUBJECT:

ISSUE:

[REDACTED]

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## Mineral Resources - Manitoba Geological Survey

**SUBJECT:**

Leveraging Federal Geoscience Funding

**ISSUE:**

The federal government currently supports the mineral exploration and development industry through two major geoscience initiatives: Geo-Mapping for Energy and Minerals, Phase 2 (GEM-2) and Targeted Geoscience Initiative, Phase 5 (TGI-5).

Provincial and Territorial geological surveys require matching funds to qualify for consideration under these programs.

SEC. 23(1)(a)

**CRITICAL BACKGROUND:**

Canada's GEM program is mandated to provide modern, regional-scale, geological knowledge of Canada's north to unlock the full mineral and energy potential and promote responsible land development. GEM was first launched as a five-year (2008-2013) \$100M geological mapping program administered by Natural Resources Canada, in collaboration with provinces and territories. The program allocated up to \$25M to be spent in northern parts of the provinces by matching new geoscience funding invested by a province. The GEM program is expected to stimulate over \$500M in exploration expenditures nationally over the long run, with potential future mineral discoveries estimated at \$12B in value. In August 2013 the federal government renewed the GEM program with support of \$100M over seven years (GEM-2; 2013-2020).

TGI-4 was federally run and funded (\$25M over 5 years; 2010-15), and mandated to help develop new ways of exploring for deep mineral deposits. It provides integrated geoscience knowledge regarding areas of high mineral potential, with the aim of lowering risk and stimulating private-sector resource exploration. The TGI program objectives are guided by the research needs of Canada's exploration industry. The program is a partnership initiative delivered in collaboration with provincial and territorial geological surveys, and with significant participation by universities.

The following list provides some examples of the work completed under GEM and TGI:

- New bedrock and surficial geology programs in the Seal River, Oxford-Knee lakes and Southern Indian Lake regions;
- Continued bedrock mapping to support mining and mineral exploration in the Snow Lake, Flin Flon and Thompson mineral belts;
- Thematic bedrock mapping in support of gold and magmatic Ni-Cu-PGE exploration in southeast Manitoba;
- Phanerozoic surface and subsurface studies of hydrocarbon potential in the Williston and Hudson Bay basins, including 3-D modelling.

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## Mineral Resources - Manitoba Geological Survey

**SUBJECT:**

Mineral Exploration and Development in Parks

**ISSUE:**

Manitoba has come under increasing pressure from environmentalists and southern recreationists to restrict mining in provincial parks. Mineral and oil and gas exploration and development is permitted in all or parts of 72 of 86 provincial parks based upon the land use categories within those parks. However, only 2.8% of all park lands are under mineral or oil and gas dispositions, mainly in the 18 parks located in areas of high mineral potential or oil fields (e.g., Grass River, Paint Lake, Nopiming, South Atikaki, and Whiteshell). These mineral dispositions largely predate the establishment of these parks. Quarries and pits exist in Clearwater Lake, Duck Mountain, Grass River, Hecla-Grindstone, Nopiming and Whiteshell provincial parks. Oil and gas development is restricted to Turtle Mountain Provincial Park.

**CRITICAL BACKGROUND:** Manitoba has prohibited logging in provincial parks since 2009. However, a similar ban on mineral exploration and development in provincial parks is considered economically unfeasible because it would result in compensation orders of magnitude greater than that paid to timber operators. The provincial government also uses mineral resources in parks, namely quarries and gravel pits, and the closure of which would negatively impact Parks' and Highways' operations.

The recent development of the Reed mine by Hudbay Minerals Inc. in Grass River Provincial Park provides an excellent example of a modern, low-impact, sustainable resource development project which could serve as a model for other developments.

In November 2014, the Deputies of Mineral Resources and Conservation signed an MOU agreeing that both departments will work to include mineral assessments in the parks planning process. Based on this MOU, the departments, together with representatives from the Mining Association of Manitoba, established the new Mineral Potential Assessment Committee (MPAC) to replace the former Mineral Exploration Liaison Committee (MELC, 1998-2009). MPAC is designed to assess areas proposed for protection for their mineral potential and to establish new protocols, guidelines and best practices for developments in parks and protected areas. MPAC is specifically assigned to review the Rank 1 Areas of Special Interest (ASIs), the proposed Protected Areas Strategy, and the proposed Polar Bear Park and Seal River protected area.

Since fall 2014, Conservation in collaboration with Mineral Resources has also been drafting a Consultation Paper for a 'Mineral and Oil and Gas Development in Parks Strategy Framework', outlining proposed options and guidelines for management of current and future mineral and oil and gas developments in provincial parks.

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**Mineral Resources - Manitoba Geological Survey****SUBJECT:**

Protected Areas and Land Access Issues

**ISSUE:**

Land withdrawals represent one of the mining industry's most pressing challenges. Historic land withdrawals have sterilized many regions of known mineralization while more recent initiatives have generated considerable uncertainty related to the ability of mineral tenure holders to advance projects through to production.

**CRITICAL BACKGROUND:**

The following provides a summary of key areas of proposed land withdrawals that may affect regions with strong mineral potential.

**Polar Bear Provincial Park (PBPP) proposal**

- The region proposed for PBPP represents a key frontier area for petroleum resources and a region with high diamond potential.
- Manitoba Mineral Resources has provided Conservation with a preliminary mineral resource potential assessment.
- Conservation is considering which lands within PBPP should be legally protected and where exploration and development activities might be permitted.
- Public consultation on the proposal was open from late August 2014 until end of January 2015. DeBeers Canada, the MB Prospector's Association and the MB Mining Association, with input from the Manitoba Geological Survey, submitted comments to Conservation, requesting that areas with high mineral potential within the proposed park remain open for exploration and development.
- The PBPP proposal is still in the consultation process.

**Seal River Corridor Proposed Protected Area**

- The Seal River, Manitoba's largest free-flowing river, was designated a Canadian Heritage River in 1992. The Seal River watershed covers 7.7% (50,000 km<sup>2</sup>) of Manitoba, including much of Manitoba's far north between Saskatchewan, Nunavut and Hudson Bay west of Churchill.
- Minister Mackintosh stated in a July 2, 2014 news release that "Manitoba Hydro has confirmed that it does not have development plans for the Seal River."
- Conservation has identified the river as containing important habitat for the beluga whale and that consultations are pending for protecting the region.
- MMR and industry has identified the region west of Churchill as having high potential for diamonds, gold, uranium, base and/or rare metal deposits.
- MGS has done extensive work in the region as part of the Far North Geomapping Initiative, a 2004-2012 MGS geoscience program in Manitoba's far north.
- As the most sensitive park areas also overlaps high-potential mineral areas (greenstone belt), MPAC recommended either a large reduction in area or a complete withdrawal of the proposal.

### **Saskatchewan River Forest**

- Protected Areas proposals for the Saskatchewan River Delta (SRD) region, rolled out by Conservation in 2010, impact a large area of the highly prospective buried portion of the Flin Flon belt: industry reaction has been intensely negative.
- Much of the area proposed for protection in Phase 1 was considered Rank 1 by the MELC, meaning it was supported for protection.
- Much of the area proposed for protection in Phase 2 is underlain by the buried portion of the Flin Flon belt. This area will attract future mineral exploration.
- Manitoba Conservation has moved forward with recommendations to protect areas as previously proposed, with provisions for mineral exploration and development in areas with mineral potential (e.g. Reed mine).

### **East Side Lake Winnipeg planning, WNO Accord and new legislation**

- The interim protection provisions in new legislation for Crown land use planning and designation of First Nation Traditional Lands within the Wabanong Nakaygum Okimawin (WNO; East side Lake Winnipeg) allowed Bloodvein, Little Grand Rapids, Pauingassi and Poplar River First Nations to establish land use plans that exclude large areas from mineral exploration and development.
- Canada's pitch to have Pimachiowin Aki boreal forest recognized as a World Heritage Site was dealt a setback in June 2014, when the United Nations world heritage committee deferred its decision, stating it was unclear whether the area is unique and requesting more information from Canada.
- Given the uncertainty, there is unlikely to be any exploration in any part of the proposed Pimachiowin Aki World Heritage Site in Manitoba and Ontario, even in lands that may be zoned for exploration by community land use plans.
- The Pimachiowin Aki Corporation was to submit a revised nomination package to UNESCO in 2015, with a decision likely to come in 2016.

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**Mining Programs and Initiatives**

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Mineral Resources – Mining Programs and Initiatives

**SUBJECT:**

Mineral Exploration Assistance Program (MEAP)

**ISSUE:**

MEAP represents one of MMR's strongest mineral exploration incentive programs.

**CRITICAL BACKGROUND:**

MEAP was first approved in 1995 as part of the Department's strategy to attract new exploration companies to the Province. The program provides assistance of up to 40% of approved eligible expenditures to a maximum of \$200,000 per recipient per fiscal year. A higher percentage is offered for projects conducted in the far North, and in areas that have undergone mine closure such as Lynn Lake/Leaf Rapids. In these areas, up to 50% of approved eligible expenditures to a maximum of \$200,000 per recipient per fiscal year is available.

MEAP received approval in November 2015 for MEAP to continue for an additional three years with a total funding allocation of \$4.5 million (one offering taking place in April of each year) and \$1.5 million per fiscal year. The net cost of this is expected to be \$1.05 million based on a 30% lapse rate. MEAP is funded out of the Mining Community Reserve Fund. [REDACTED]

Companies with approved projects under the 2014/15 offering <sup>SEC. 23(1)(a)</sup> had until March 31, 2015 to complete their projects and June 15, 2015 to submit applications for payment along with final reports. Fourteen of the 22 approved projects were completed. Total final payout amounted to \$1.2 million.

For 2015/16, MEAP held one offering in June 2015 which allocated \$3.0 million in assistance to 23 approved applicants, for a total of \$18.07 million in planned exploration expenditures. The final reports and application for payment of assistance is required by mid June 2016.

**MEAP Summary**

	<u>Since 1995</u>	<u>Since 1999</u>
Projects Completed	803	662
Funding Provided	\$31.6 million	\$23.96 million
Exploration Leveraged	\$273.9 million	\$228.6 million
Leverage Ratio	8.7 to 1	9.9 to 1

**Mining Operations Discovered**

- Lalor Mine near Flin Flon.
- Reed Mine near Flin Flon.
- Hinge/007 Complex at Bissett mine.

**Exploration Projects Advanced**

- Lynn Lake Project (Alamos).
- Monument Bay Project (Yamana).
- Minago Project (Victory).

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**Mineral Resources – Mining Programs and Initiatives****SUBJECT:**

Manitoba Prospectors Assistance Program (MPAP)

**ISSUE:**

MPAP represents one of MMR's strongest mineral exploration incentive programs.

**CRITICAL BACKGROUND:**

MPAP, authorized as a Regulation under The Mines and Minerals Act, was registered on August 25, 1992 as Manitoba Regulation 165/92 and published in The Manitoba Gazette on September 5, 1992. The Program was part of a package of incentives introduced at that time to stimulate and assist mineral exploration and development in Manitoba.

MPAP is an important support for prospectors and helps maintain an active prospecting community within the province. The prospecting community, as a whole, continues to face challenges for survival in the midst of new exploration techniques and technologies. Prospecting is the grass roots of the mineral industry and without a motivated community of prospectors, many of the mineral discoveries needed for future production will not be made.

The program holds two offerings per fiscal year; a spring offering for summer projects and a fall offering for winter projects. After project completion, prospectors submit allowable expenses and technical reports for assessment. Under the current regulation, assistance of up to 50% of total costs to a maximum of \$10,000 plus 80% of approved air charter transportation in remote areas of Manitoba to a maximum of \$1,500 for a total assistance of \$11,500 per applicant per year. Since 1992, a total of 329 projects have been completed and \$1,422,920 has been paid out on approved expenditures.

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**Mineral Resources – Mining Programs and Initiatives****SUBJECT:**

Manitoba Mineral Exploration Tax Credit (MMETC)

**ISSUE:**

MMETC provides a harmonizing tax credit as part of Canada's Super Flow Through mineral exploration tax credit program.

**CRITICAL BACKGROUND:**

Manitoba introduced The Manitoba Mineral Exploration Tax Credit (MMETC) in 2002 to encourage and promote exploration and development of mineral deposits in the province. The MMETC is a 30% non-refundable personal income tax credit for resident investors in eligible flow-through shares of qualifying junior mineral exploration companies, that is renewed annually in the provincial budget. Earned credits can only be applied against Manitoba income tax payable. The MMETC is coordinated and administered with the Federal 15% Mineral Exploration Tax Credit (METC).

Together the federal and Manitoba tax credits are the most generous in Canada. PDAC provides a comprehensive summary of the Super Flow Through tax credit program in the file linked here:

<http://www.pdac.ca/docs/default-source/public-affairs/flowthrough-2016.pdf>

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Mineral Resources – Mining Programs and Initiatives

**SUBJECT:**

Mining Community Reserve Fund

**ISSUE:**

The Mining Community Reserve Fund (MCRF), established under the *Mining Tax Act* [Section 44 (1)], was created to support communities and workers suffering the effects of mine closure and for proactive economic development purposes that encourages mineral exploration. More recently, the MCRF has been used to support public geosciences initiatives, indigenous consultations, mining industry training, environmental monitoring, research and/or remediation.

Contributions to the Reserve are approved by Order-in-Council and are not to exceed 6% of the mining taxes received in a fiscal year [Section 44 (2)]. Projects funded by the Reserve are also approved by Order-in-Council. The *Mining Tax Act* requires the fund to maintain a \$10 million minimum balance.

[REDACTED]

**CRITICAL BACKGROUND:**

Sec. 23(1)(a)

[REDACTED]

	PROJECTED 2016/17	PROJECTED 2017/18	PROJECTED 2018/19
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Sec. 23(1)(f)

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## Mineral Resources – Mining Programs and Initiatives

**SUBJECT:**

Orphaned and Abandoned (O/A) Mine Site Rehabilitation Program

**ISSUE:**

O/A projects are among MMR's largest lines of business and represent significant contracting opportunities for northern communities and remote First Nations.

**CRITICAL BACKGROUND:**

The Environmental Liability Account was created in 2006 to fund the rehabilitation of O/A mine sites with an initial balance of \$220 million. As of March 31, 2016, the Province had spent over \$214.8 million on orphaned and abandoned mine-site rehabilitation. The balance in the Environmental Liability Account is approximately \$80 million, which is consistent with the projected liability related to O/A sites.

In total 149 former O/A mine sites have been identified, including seven high-priority sites (Lynn Lake, Sherridon, Gods Lake, Snow Lake, Ruttan, Fox and Baker Patton), with 31 listed as high-hazard sites. To date, 30 of 31 high hazard sites have been remediated, with the one site to be completed in 2016. MMR is now addressing lower priority sites largely in response to communities and government concerns.

Rehabilitation work is complete at three of the high-priority sites (Baker Patton, God's Lake, and Lynn Lake) with active monitoring ongoing at Lynn Lake. Work is ongoing at the other four high-priority sites (Ruttan, Fox, Sherridon and Snow Lake). Remediation activities have also been completed at 10 abandoned exploration sites in Whiteshell Provincial Park.

During 2015/16, eight orphaned/abandoned mine site projects were carried out involving 10 separate contracts for Engineering and Construction services. Planned expenditures for 2016/17 activities are estimated at \$34 million.

- **Ruttan Mine:** Capping of the tailings management area is ongoing with substantial completion in the fall of 2018. This activity is approximately four years behind schedule. Ongoing project challenges continue to exist with contractor, manpower, weather, and equipment.

A Water Treatment Plant (WTP) was commissioned in July 2014. The plant treats acidic water from the open pit suitable for discharge to the environment. Discharge water is analyzed to ensure compliance with federal Metal Mining Effluent Regulations (MMER) standards. The present value of operating the WTP for the next 25 years represents \$30 million of the \$80 million balance in the fund. MMR is reviewing options to reduce long-term operating costs.

- **Fox Mine:** MMR previously commissioned engineering work on the final high-priority site. Site assessment is complete, engineering design is being finalized,

and construction is scheduled to be tendered in May of 2016 with project completion in 2018.

- **Sherridon Project:** Flooding at Camp Lake was completed in 2013 to provide water cover on the tailings and prevent generation of acidic water. Neutralization of Camp Lake water is still in progress as several sources of acid loading is preventing stabilization. 2016 work will include locating and removing the sources of acid loading.

The community has expressed serious concerns related to the discharge of water from Camp Lake into Kississing Lake, which is an important economic driver for the community due to its sport fishery. The short-term work plan is to neutralize the lake so that it can be drawn down sufficiently, in compliance with MMER standards, to address the cause of the acid loading into Camp Lake. Once this is completed, natural processes will maintain water quality.

- **Snow Lake:** Remediation of past producing Nor-Acme gold mine. Project is complete with the exception of an arseno-pyrite residue stockpile which has a resource of 80,000 oz gold. Manitoba is currently soliciting offers to assume liability of the site in return for the opportunity to process the gold. Manitoba is seeking a royalty on related gold production.
- **Lynn Lake:** Farley Tailings Management Area remediation was complete in 2014 and is now entering the monitoring phase to ensure the project has achieved its objectives.
- **God's Lake:** The God's Lake First Nation has identified considerable debris on the land associated with the operation of the power station at "Kenuchewan Falls". Discussions are underway with GLFN to determine the scope of work.

#### **Indigenous Involvement in the O/A Mine Site Rehabilitation**

First Nation communities have been participants in the majority of mine rehabilitation projects and in many cases, have been awarded sole-source contracts or formed joint ventures with established construction companies.

All tenders have a set-aside for First Nations or local communities ranging from 10% to 25% depending on location. More than \$2.7 M has been spent on training initiatives for local residents, including First Nations, to work on the Lynn Lake, Sherridon, and Ruttan rehabilitation projects. 90% of the rehabilitation work at Gods Lake was undertaken by First Nation and indigenous contractors. Approximately \$23.8 M was spent between Sept. 1, 2009 and January 2016 in First Nations involvement (e.g. direct jobs on projects, purchase of services).

- **Sherridon:** Mathias Colomb Cree Nation was retained by the prime contractor, an allowance of \$500,000 was allowed for training purposes for this contract.

- **Dominion Mine (Gurney):** The main sub-contractor was Keewatin Railway Company which retained workers from Missinippi Construction.
- **Lynn Lake:** The Marcel Colomb First Nation was retained as the "camp operators" and for the supply of labour to the contractors. As a result Marcel Colomb Development Corporation (MCDC) was established and ownership of the camp facilities have been transferred to MCDC. Under the terms of the contract a training allowance in excess of \$1.0 million has been provided.
- **Timberwolf:** A registered indigenous contractor has also been retained as a sub-contractor and been awarded several small projects directly.
- **God's Lake:** C. Erickson Enterprises of Norway House retained as main sub-contractor, God's Lake First Nation awarded direct contracts.
- **Island Lake:** Garden Hill First Nation formed a joint venture partnership with Arnason Industries Ltd.
- **Elk Island:** God's Lake First Nation formed a joint venture partnership with Arnason Industries Ltd.
- **Ruttan Mine Site:** Nisichawayasihk Cree Nation, Mathias Colomb First Nation, O-Pipon-Na-Piwin Cree Nation and Marcel Colomb First Nation secured subcontracting agreements or provided operators and equipment for the contractors on this project.

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**Mineral Resources – Mining Programs and Initiatives****SUBJECT:**

Mining and Minerals Convention

**ISSUE:**

MMR holds an annual mining convention to publicly release the results of its summer work program. The convention also provides an opportunity for mining companies and suppliers to network, provide project updates, and develop new business and marketing opportunities.

**CRITICAL BACKGROUND:****Mining and Minerals Convention 2015 Statistics**

The 2015 annual Manitoba Mining and Minerals Convention had attendance of approximately 800 industry participants. This represents a 15% drop from 2014.

The convention originated out of the Manitoba Geological Survey's annual open house in which it formally released the results of its summer field work program. In 2015, the convention hosted 30 technical presentations and 10 short course presentations. The exhibit room consisted of 63 trade show booths, 16 mineral property booths and 26 geological posters.

Two publications developed by the Mining Association were launched at the 2015 convention, the 2015 Guidelines for Mineral Exploration in Manitoba and the Aboriginal Engagement Handbook. The Minister also announced the establishment of the First Nations Mining Economic Development Corporation (MEDCO) and that Manitoba is working on a Government Resources Revenue Sharing mechanism for 25% of mine taxes from future new mines.

The 2016 Manitoba Mining and Minerals Convention will be held on November 16, 17 and 18 which is following the trend from last year's convention by starting on a Wednesday and ending on a Friday. The theme is "ExpLORE Manitoba".

The focus on this year's convention will be:

- Manitoba's mining development, geology, mineral potential and community relationships.
- geological technical presentations by government, industry and academia.
- presentations on the business of mining and community engagement.
- informative geological data and poster displays on Manitoba's mineral potential.
- Manitoba mineral properties for option and investment.
- tradeshow featuring Manitoba's mining and exploration services and products.

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## Mineral Resources – Mining Programs and Initiatives

**SUBJECT:**

Public Outreach Programs

**ISSUE:**

The following programs and initiatives raise awareness about the importance of mining to our regional, provincial and national economies, and for highlighting opportunities individuals have for participating in the industry.

**CRITICAL BACKGROUND:**

**Manitoba Rocks!:** Entering its 16th year of geoscience awareness-building, the Manitoba Geological Survey's Manitoba Rocks! mineral education program delivers 'Geoscience for everyone' at [www.ManitobaRocks.info](http://www.ManitobaRocks.info) (launched in 2013). The program is designed to promote interest in mining and mineral exploration among school-age children in northern communities, within Manitoba First Nations, and elsewhere across the province. The Manitoba Rocks! program operates in partnership with community and school initiatives across the province, including many northern and First Nation school visits to engage over 2,000 northern elementary-to-high school students annually at Frontier School Division's 'Career Day' in Norway House, and at University College of the North's Thompson/The Pas 'Try-a-Trade & Career Expo'.

**Northern Manitoba Mining Academy (NMMA):** NMMA focuses on education, training and research and interacts with more than 30 companies, secondary and post-secondary institutions, and other stakeholders. In 2014-15, NMMA exposed over 400 youth to mining sector career opportunities.

**Northern Manitoba Sector Council (NMSC):** An employer-led network, NMSC meets its mandate by forging and supporting effective partnerships between employers, educators, government and other stakeholders for training, recruitment and retention needs of northern industry employers and the development of new and existing employee-training in mining, forestry and energy sectors. More than 1,000 individuals from these sectors participated in 2014-15. NMSC has supported delivery of training processes to assist Vale (Thompson) in recruiting over 130 northern/local workers into high-paying jobs at the Vale Smelter and Refinery (unique industry, government, and First Nations partnership). In all, 60 Process Operator graduates have been hired through this program, with many participants going on to other positions.

**R.D. Parker Collegiate Mineral Sciences Industrial Vocational Program:** This program provides entry level geology and engineering to northern and First Nation high school students. It was reinstated in 2010 by the School District of Mystery Lake, continuing an additional year due to increased demand. An online version allows students in remote, northern, and First Nations communities to participate.

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Petroleum Branch

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## Mineral Resources – Petroleum Branch

**SUBJECT:**

Operating Oil and Gas Producers in Manitoba

**ISSUE:**

There are 45 active producing companies in Manitoba with five companies combining to produce over 90% of Manitoba's oil and gas production. The industry is dominated by Tundra Oil & Gas Partnership which is a wholly owned affiliate of James Richardson & Sons Limited (JRSL) of Winnipeg.

**CRITICAL BACKGROUND:**

Tundra owns Tundra Energy Marketing Ltd. which is a midstream operation accepting crude from producers by truck and pipeline, blending crude [REDACTED] and providing storage facilities. They also have an interest in a rail loading facility which is connected by pipeline to their midstream terminal. Their head office is in Winnipeg with others being located in Calgary, Virden and Waskada. *sec. 23(1)(a)*

During the oil price downturn Tundra has been able to acquire the assets of EOG, PennWest, Arc, and some smaller assets. The company employs approximately 300 people.

Ken Neufeld became President & CEO of Tundra in 2014, and has been a long term Richardson family employee and was previously Vice-President and CFO of JRSL. Prior to that, Ken was Executive Vice-President for Tundra Oil & Gas.

Producer	Wells	2015 Production barrels per day	% of 2015 Production
Tundra Oil & Gas Partnership	3816	29,988	65.8
Corex Resources Ltd.	940	5,298	11.6
Crescent Point Energy Corp.	344	2,535	5.6
Elcano Exploration	65	1,623	3.6
Canadian Natural Resources	327	1,574	3.5

\*2015 production data is not finalized

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## Mineral Resources – Petroleum Branch

**SUBJECT:**

Manitoba Petroleum Production

**ISSUE:**

In the Fraser Institute's Annual Global Petroleum surveys for 2010 to 2013, the petroleum industry has ranked Manitoba three times as the best jurisdiction in Canada for investment in oil & gas exploration and production. In 2013 to 2015 Manitoba ranked second to Saskatchewan.

**CRITICAL BACKGROUND:**

Between 2010 and 2014 the Petroleum Industry's expenditures totalled an estimated \$6 billion, of which \$1 billion was spent in 2014. For 2015, expenditures are forecast to be over \$500 million.

As of 2013 there were 5,500 direct and indirect jobs in the oil industry in southwest Manitoba. The department is currently looking at the impact of continued low oil prices on industry employment levels.

Oil production has increased by 286% since 2005, reaching a new annual production record of 19.2 million barrels in 2012 or 52,590 barrels per day (b/d). In 2014, oil production averaged 49,192 b/d, a drop of 6.5%. The value of oil production in 2014 is estimated at \$1.68 billion. In 2015, the value of production will be considerably lower as oil prices have averaged \$55.83/barrel for 2015 versus \$92.96/barrel for 2014.

During 2015 there were 205 wells drilled with direct revenue of \$17.6 million - \$10.3 million from Crown royalties and fees including \$2.5 million from Crown oil and gas lease sales, and \$7.4 million from production taxes. For 2016, direct revenue is estimated to be \$13.1 million and is based on an average oil price of \$64.93 Canadian per barrel.

**5-Year Petroleum Activity**

	2011	2012	2013	2014	2015
Licences Issued	672	720	537	533	235
Wells Drilled	578	616	530	464	205
Metres Drilled (1,000 metres)	1,069	1,154	1,017	848	364
Expenditures (Millions)	1,128	1,448	1,300	1,138	NA
Production (1000 Barrels Per Day)	41.3	52.7	52.7	49.2	*45.5

\*preliminary 2015 production figures

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Mineral Resources – Petroleum Branch

**SUBJECT:**

Manitoba Petroleum Exploration

**ISSUE:**

Petroleum exploration is critical for the ongoing success of Manitoba's petroleum industry.

**CRITICAL BACKGROUND:**

The top fields for drilling in 2015 were Daly Sinclair (103 wells), Manson (23 wells), Virden (12 wells), Pierson (11 wells) and Waskada (7 wells). There were 48 other wells drilled in areas outside of existing fields.

The top five drillers in 2015 were Tundra Oil & Gas Partnership (117), Corex Resources Ltd. (29), Crescent Point Energy (25), Elcano Exploration (20), and Corval Energy (4).

In 2015, 205 new wells were drilled compared to 464 for the previous year. Almost 93% of these wells are horizontal wells completed using new hydraulic fracturing technology.

In 2015, Daly-Sinclair was the most active area in the province with a total of 103 wells drilled, accounting for 52.5% of the annual provincial production from 2,170 producing wells.

The top five producers for 2014 were Tundra Oil & Gas Partnership (42.5% of Manitoba production), EOG Resources Canada Inc. (15.1%), Corex Resources (8.2%), Penn West Petroleum Ltd. (6.3%), and CNRL (3.75%) representing 75.9% of the provincial production.

Tundra Oil & Gas Partnership has acquired the Manitoba assets of EOG and Pennwest and now accounts for 61% of Manitoba's oil production.

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## Mineral Resources – Petroleum Branch

**SUBJECT:**

Petroleum Revenue Summary

**ISSUE:**

Petroleum revenues to government have dropped considerably in recent years, mainly due to reductions in the global price of oil.

**CRITICAL BACKGROUND:**

The province collects revenue from the oil industry in the form of royalties on production from Crown owned oil and gas rights, production taxes on production from freehold oil and gas rights, and from leasing Crown oil and gas rights.

The revenue collected is a function of international oil price, individual production from freehold and Crown oil and gas rights, leasing of Crown oil and gas rights, and oil exploration and development within the province.

Original 2015/16 revenue estimates were \$23.5 million based on an average oil price of \$92.00/barrel and a daily production rate of 42,712 barrels per day and land sale revenue of \$2.3 million. Actual revenue declined to \$16.3 million based on an annual average oil price of \$60/barrel.

2016/17 revenue has been estimated at \$10.2 million at an annual oil price of \$52.47/barrel.

## Five Year Revenue \$ Millions

	2011	2012	2013	2014	2015
Royalties	8.2	13.8	10.5	8.3	6.0
Fees and Land Sale Revenue	13.2	21.0	12.5	4.8	2.6
Production Taxes	8.6	13.2	7.3	7.0	7.7
Total Revenue	30.0	48.0	30.3	20.1	16.3

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Mineral Resources – Petroleum Branch

**SUBJECT:**

Manitoba Drilling Incentive Program (MDIP)

**ISSUE:**

MDIP represents MMR's principal oil and gas incentive program.

**CRITICAL BACKGROUND:**

The Crown Royalty and Incentives Regulation under The Oil and Gas Act and the Oil and Gas Production Tax Regulation under the Oil and Gas Production Tax Act provide incentives to encourage the development of Manitoba's oil and gas resources. These incentives are referred to as the Manitoba Drilling Incentive Program (MDIP).

The program was initially introduced in 1992, replacing previous incentive programs, and has undergone several modifications since then. When the program was initiated, an expiry date was included to provide certainty to industry regarding the term of the program. The current incentive program was revised in 2013 and runs for the period January 1, 2014 to December 31, 2018.

MDIP provides companies that drill new wells or that workover existing marginal wells in Manitoba, an incentive in the form of a holiday from paying royalties on production from Crown oil and gas rights or taxes on production from freehold oil and gas rights for the initial volume of production (termed the "holiday volume") from the well. An existing marginal well that undergoes a major workover earns a holiday oil volume of 500 cubic metres. A well drilled for purposes of injection of water or other substance as part of a project of enhanced recovery earns a holiday of one year up to 18 months from the date on which the well commences injection.

The current MDIP has introduced an incentive to encourage the implementation of new projects that capture solution gas and lessen the flaring and venting of gas. Under the MDIP, there is minimum production tax and royalty payable for new wells drilled after December 31, 2013.

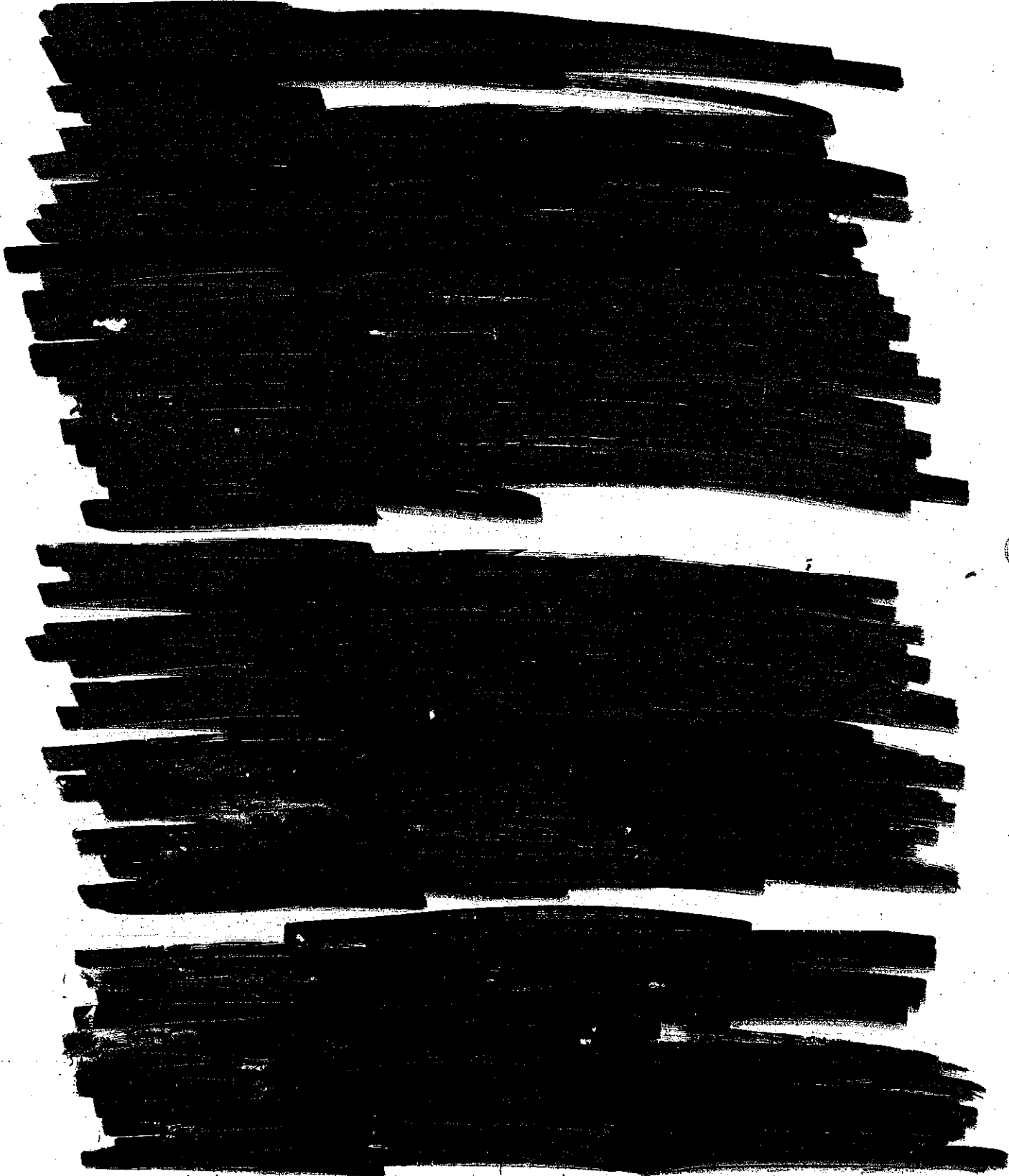
**Success since the 2014 extension of the Manitoba Drilling and Incentive Program**

A total of 682 wells (616 development and 66 exploratory) have been drilled with a success rate of 97.0% raising the total number of wells capable of production in the province by 10.6%. Annual production has decreased by 6.7% from 52,722 barrels per day in 2013 to 49,192 barrels per day in 2014. The province has collected \$40.6 million in lease revenue, bonuses, royalties and taxes from the oil industry.

In 2014, industry invested \$1.0 billion in the exploration and development of the province's oil resources. In 2013, figures were \$1.3 billion. Since MDIP's renewal to the end of 2014, industry has spent over \$2.3 billion on investment in Manitoba.

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SEC. 18 (1) (b) (i) (ii) (iii)  
SEC. 23 (1) (a)

[REDACTED]

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Sec. 18 (1)(b)(i)(ii)(iii)  
Sec. 23 (1)(a)

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sec. 23 (1)(a)(c)

**Mineral Resources – Petroleum Branch****SUBJECT:**

Gambler First Nation Court Challenge

**ISSUE**

On July 2, 2015, Gambler First Nation (located near Binscarth) filed a claim in Minnedosa Court of Queen's Bench against Manitoba and Tundra Oil and Gas Partnership.

The claim asks for damages and compensation for losses. The claim also states that Tundra trespassed by conducting seismic operations on the reserve although they had an agreement with and provided payments to the First Nation.

The plaintiff makes declaration that the extraction of oil and gas on any land which results in the capture and/or depletion of subsurface oil and gas on the Reserve Lands unjustifiably infringes Gamblers First Nation's (GFN) Aboriginal Title and/or Aboriginal Rights and requests an order quashing the authorizations, permits, leases, licences and contracts granted by Manitoba to Tundra Oil & Gas Partnership to drill, produce and extract oil and gas on adjacent lands. The GFN also asserts that they were not consulted with respect to extraction and exploitation of natural resources by Tundra Oil & Gas Partnership.

Both Manitoba and Tundra Oil and Gas Partnership have filed a statement of defence.

Manitoba's statement of defense states that the well licences issued to Tundra were for wells located on privately owned lands. Manitoba denies that any subsurface minerals, including oil and gas, have been drained from the reserve lands by Tundra through the operation of wells authorized by Manitoba.

Historically, Gambler First Nation I.R. No 63 was subject to a land surrender in 1892 and 1898 with much of the band relocated with new land to Lizard Point. Some members chose to remain and retained land making up the current Reserve. Gambler First Nation has contested the surrender and has asserted that this transfer was done inappropriately.

The Petroleum Branch is notifying Gambler First Nation of any oil activity in the contested area and has been receiving concerns from the First Nation. Currently there are two Tundra drilling licences in this contested area that are awaiting issuance. Those licences will be issued during April.

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Mineral Resources – Petroleum Branch

**SUBJECT:**  
Oil Field Safety**ISSUE:**

Petroleum Branch works with all of its clients to encourage a safe and responsible work environment for all employees working in Manitoba's oil and gas industry.

**CRITICAL BACKGROUND:****Responsibilities of Petroleum Branch**

- Under an MOU with WS&H, the Petroleum Branch inspectors also function as Workplace Safety and Health Officers.
- Petroleum Branch inspectors conducted 185 major inspections in 2015 and over 1,585 site inspections.
- The Petroleum Branch issued 123 non-compliance orders for safety related items in 2015.
- 116 minor infractions on drilling and service rigs were addressed
- 211 safety infractions addressed

**Accident and Inspection Statistics 2015**

- 198 safety infractions and non-compliance orders.
- 2 serious injuries.
- 5 near misses or minor accidents.
- 1,585 site inspections.

**Accidents and Inspection Statistics 2014**

- In 2014, there were 21 incidents reported to the Petroleum Branch of which 10 were minor or near misses.
- In 2014 there were 6 accidents that resulted in injuries and one fatality.
- 248 safety infractions and non-compliance orders.
- 6 accidents resulting in injuries.
- Over 1,000 site inspections by the Petroleum Branch.

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## Mineral Resources – Petroleum Branch

**SUBJECT:**

Oil Spills

**ISSUE:**

Petroleum Branch works with all of its clients to ensure all Manitoba oil and gas operations comply with Manitoba environmental regulations.

**CRITICAL BACKGROUND:**

The Oil & Gas Act requires companies to report all off-lease spills from an oil or gas facility and on-lease spills of more than half a cubic metre (0.5 m<sup>3</sup>) of fluid to the Petroleum Branch as soon as practicable but no later than 12 hours after the spill is discovered. A written spill report is submitted by the company that outlines spill and cleanup details with an approval or recommendation section filled out by a Petroleum Branch Inspector. Details of the spill are logged into the Petroleum Branch's spill database. Petroleum Inspectors inspect the site and enter the spill site into the Petroleum Branch's rehabilitation monitoring program for future rehabilitation. All oil and gas spill sites are rehabilitated to a condition as near to as possible to the surrounding conditions before being released from rehabilitation.

All sites are reclaimed to CCME (Canadian Council of Ministers for the Environment) Canadian Environmental Quality Guidelines. The Petroleum Branch confirms that the cleanup test results comply with the guidelines and then the site is entered into the Manitoba Rehabilitation Program. The Branch works with affected landowners, and federal and provincial departments, as required, to ensure that all interests are being adequately addressed during the spill cleanup.

The Petroleum Branch initiated a spill mitigation project to address environmental and operational issues surrounding spills. All producing companies in Manitoba are now required to develop and submit a spill prevention manual demonstrating due diligence in spill prevention measures. The implementation of the spill prevention manual, spill categorization and environmental reviews on flowline applications will increase Manitoba's oil industry spill preparedness to among the best in Canada. In 2015, 259 sites were entered into the Rehabilitation Program and 158 sites were released from the requirements of the program.

	<b>Spill Count</b>	<b>Volume Spilled M<sup>3</sup></b>	<b>Average Spill Volume M<sup>3</sup></b>	<b>Volume Spilled as % of Total Produced Volume</b>	<b>Well Count*</b>
2015	63	1200.9	19.1	Not Available	6014
2014	96	1878.8	19.6	.010	5668
2013	129	1814.5	14.7	.010	5378
2012	90	804.4	8.9	.005	4812
2011	95	759.7	8.0	.005	4214

\*Includes service wells and wells capable of production

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**SUBJECT:**

Oil Well Hydraulic Fracturing

**ISSUE:**

Hydraulic fracturing has been used in Manitoba for over sixty years. In Manitoba almost all wells drilled are hydraulically fractured. There has never been a known case where hydraulic fracturing has resulted in groundwater contamination in Manitoba.

Fracturing, however, is being used to develop shale gas plays (also called unconventional gas resources) in British Columbia, Alberta and in parts of the U.S. and has attracted a lot of negative publicity. Shale gas is not being developed in Manitoba although the MGS has identified shale gas potential in the province.

**CRITICAL BACKGROUND:**

Hydraulic fracturing is the process of pumping a fluid down an oil and gas well to fracture the rock formation to increase the production of oil or gas from the well. The injection pressure of the fluid is steadily increased until the surrounding rock cracks or fractures. The fracturing fluid (usually fresh water with some additives) holds a proppant (usually sand) that flows into the cracks. When the pumping pressure is reduced, the rock closes around the proppant leaving a thin layer of sand to prop open the cracks. This layer acts as a conduit to allow the reservoir fluid (mixture oil, water and gas) to escape from tight formations and flow to the well to recover it.

Hydraulic fracturing is now being used in combination with horizontal drilling and new completion techniques to exponentially improve oil recovery in low productivity (tight) oil and gas reservoirs. Horizontal drilling and fracturing is the primary method for developing Manitoba's oil pools. During the past 5 years, almost 2,000 wells in Manitoba have been drilled and fractured with over 600 in 2014 and over 200 in 2015. Technical information on hydraulic fracturing is publically available for individual wells on the Petroleum Branch's website.

Fracturing in Manitoba is regulated under The Oil and Gas Act. The Petroleum Branch has participated with other jurisdictions on the creation of an industry recommended practice (IRP-24) for hydraulic fracturing which addresses inter-wellbore communication and well integrity. The IRP has been released by Enform. The Petroleum Services Association of Canada has released a hydraulic fracturing code of conduct for their membership. The Canadian Association of Petroleum Producers (CAPP) has also developed Hydraulic Fracturing Guidelines.

The Department has joined Alberta and BC to require companies to disclose fracturing fluids on [Fracfocus.ca](http://Fracfocus.ca), with implementation in June 2016. Water use in Manitoba is small with total annual industry use less than the irrigation of one section of land.

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**Mineral Resources – Petroleum Branch****SUBJECT:**

Rural Municipality and Oil Industry Issues

**ISSUE:**

Increased oil and gas production activity in Manitoba, and increases in horizontal drilling, is straining relationships with Rural Municipalities from damage caused to roads.

**CRITICAL BACKGROUND:**

Most of the new wells drilled in the province are horizontal. These sites require heavier machinery and significantly more material than vertical wells. This is resulting in damage to municipal roads and culverts/bridges not designed to support this weight. Relationships are becoming strained between Rural Municipalities (RMs) and oil companies in many oil producing regions, specifically related to road use agreements, well licence fees, changes to municipal assessments, improvements to the provincially owned infrastructure (i.e. Provincial Road 255 and 256, and Highway 251), and permitting changes for equipment moves.

Rural Municipalities along with MIT, MMR and industry have formed a working group to improve the understanding of the problems and some possible solutions. The working group has had a number of meetings. Both groups have had a large turnover since the last meeting and industry activity has dropped off substantially. The Petroleum Branch conducted a one day information session with the RMs and the Association of Manitoba Municipalities on March 13, 2013 in Virden to allow the group to understand the role of the Petroleum Branch in the regulation of the oil and gas industry.

RMs were impacted by severe flooding in July of 2014, resulting in further damages to roads, culverts and bridges in the region. Various provincial bridges are unusable and key routes have bridges operating with single lanes or shoe-flies. It is expected that RMs will have ongoing concerns regarding the flood impacts.

MIT has made some improvements and has announced that PR 256 from PTH2 to Cromer will be upgraded to Road Transportation Association of Canada (RTAC) standards with most of the work to be completed in 2016. It will take a few years to have the Cromer Bridge upgraded to RTAC. This move is welcomed by the oil and gas industry and has been the major infrastructure complaint from them and the RM of Pipestone. MIT has been good at listening to industry and reacting where possible.

RMs acknowledge that oil companies have contributed to municipal infrastructure by building roads, maintaining roads and funding RMs for road construction. Cooperative strategies and innovative solutions have emerged, with some oil companies providing funding to RMs for road maintenance, road construction and items like traffic signs. Going forward, the Petroleum Branch will re-engage the working group.

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**SUBJECT:**

Seizure of Wells and Oil and Gas Facilities Under the Oil and Gas Act

**ISSUE:**

The Branch is required to seize wells from time to time to ensure compliance with environmental regulations.

**CRITICAL BACKGROUND:****Well Seizure Process**

The Branch constantly monitors operators' compliance with the Oil and Gas Act. Where an operator's compliance record is not good, the Branch can take escalating enforcement action which may ultimately lead to seizure of the operator's well and oil and gas facilities.

Under the Oil and Gas Act, the Minister may instruct the Director to seize the wells and facilities and clean up and rehabilitate the sites. The costs of remedial action taken by the Director are recovered from the company's performance deposit, the sale of oil and equipment, and from the Abandonment Fund Reserve Account.

**Abandonment Reserve Fund**

The Abandonment Fund Reserve Account is financed by levies on licences and permits issued by the Branch and on inactive wells. The Abandonment Reserve Fund is used to restore and rehabilitate orphaned and abandoned wells and facilities.

On March 31, 2016, the abandonment fund had a balance of \$ \$1.8 million. The Petroleum Branch has estimated spending of \$300,000 during 2016-17 to complete abandonment of three wells seized in 2015.

During the past five years, the Branch has spent \$850,000 from the Abandonment Fund Reserve Account to abandon wells and oil and gas facilities seized from insolvent companies and to rehabilitate those sites. The Abandonment Fund Reserve Account has currently been able to meet Branch requirements. The Branch will be consulting with industry on fashioning funding methods to ensure that the financing of the abandonment and restoration of orphaned well sites remains viable.

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**Indigenous Issues**

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Mineral Resources – Indigenous Issues

**SUBJECT:**

Indigenous Consultations and the Duty to Consult

**ISSUE:**

The department has developed draft procedures for Crown-Aboriginal Consultation related to mineral exploration and mine development. The department has had significant challenges with some First Nations meeting the timelines set out in those procedures:

- Mineral Exploration Licences 90 days
- Work Permits 30-60 days

Manitoba has also created the Crown Aboriginal Participation Fund (CAPF) to support First Nation participation in consultation. CAPF support includes a community coordinator (approximately \$45,000 per year) plus funding for technical advice and meeting costs in remote communities.

[REDACTED SECTION]

SEC. 23(1)(a)

Manitoba recognizes it has a duty to consult in a meaningful way with First Nations, Métis communities and other indigenous communities when any proposed provincial law, regulation, decision or action may infringe upon or adversely affect the exercise of an Aboriginal Right or Treaty Right of that indigenous community. This duty arises out of the recognition and affirmation of Aboriginal and Treaty Rights under Section 35 of the *Constitution Act*, 1982 and was affirmed in *Haida Nation v. British Columbia* (2004).

Historical barriers created by the Indian Act, including the trauma inflicted through the residential school experience, has negatively impacted Manitoba's First Nations ability to meaningfully communicate their Treaty and Aboriginal Rights during Crown Consultation activities or to participate in the economic benefits that result from mineral exploration and development activities within their traditional territory.

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## Mineral Resources – Indigenous Issues

**SUBJECT:**

Streamlining the Permitting and Consultation Process

**ISSUE:**

The Mineral Resources department is responsible for Crown-Aboriginal consultation on mineral exploration licences and on work permits which are issued by Manitoba Conservation for mineral exploration and development activities. The department is also the lead agency for Crown-Aboriginal consultation on Environment Act licences for mine developments. Challenges related to carrying out this responsibility have been identified as one of the principal reasons for the decline in work permit applications in Manitoba over recent years.

**CRITICAL BACKGROUND:**

While the average number of days to issue a permit continues to decline, the overall decline in work permit applications suggest industry participants may only be selecting operating areas where work permits are likely to be issued, or potentially focusing available mineral investment toward other jurisdictions.

Work Permits	2012/13	2013/14	2014/15	2015/16
Number of work permit applications processed	91	46	53	31
Number of First Nations / Indigenous communities consulted	52	24	15	16
Average number of days between receiving a Work Permit Application and providing Conservation with notice to issue the permit.	29	29	12	7
Number of work permits withdrawn	1	1	0	1

MMR is working to develop a cross-departmental working group that would include representatives from JEC and CWS to provide representation for potential training opportunities and to describe the environmental assessment and enforcement provisions related to the project. MMR believes this kind of comprehensive approach will create a more robust process for addressing direct and indirect concerns related to the Consultation process, for assisting the community in developing the capacity to participate meaningfully in the economic benefits of projects located in their regions, and thereby improve the efficiency and potential for success in completing the permitting process within reasonable timeframes.

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Mineral Resources – Indigenous Issues

**SUBJECT:**

Minister's Mining Advisory Council

**ISSUE:**

The Minister's Mining Advisory Council (MMAC) was formed in 2013 as a constituted forum to bring leadership from Manitoba, First Nations and the minerals industry together to discuss common mineral resource and exploration opportunities, aspirations and challenges for the benefit of all parties

[REDACTED]

SEC. 23(1)(a)

MMAC is currently tasked with developing a Government Resource Revenue Sharing (GRRS) distribution model for First Nations, incorporating Free, Prior and Informed Consent into the permitting process, and identifying ways to streamline permitting applications by mineral exploration and mining companies.

[REDACTED]

SEC. 23(1)(a)

**CRITICAL BACKGROUND**

MMAC includes representation from the government of Manitoba, First Nation Chiefs (First Nations Caucus) and the Mining Association of Manitoba. MMAC is co-chaired by Chief Ron Evans (Norway House Cree Nation) and Rob Winton (Hudbay).

[REDACTED]

SEC. 23(1)(a)

The council is supported by a technical working group consisting of designated Government of Manitoba and Government of Canada staff, representatives from the First Nations Caucus, the Mining Association, and the First Nation Mining Economic Development Corp (MEDCO).

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**Mineral Resources – Indigenous Issues****SUBJECT:**

Community Liaison Program

**ISSUE:**

The Community Liaison Program partnered with First Nations or other communities to provide a culturally respectful stage for land use information sharing / exchange. The program ran from 2009 to 2014 and reached nine communities including, the Sayisi Dene in Tadoule Lake, Gods Lake First Nation, Bunibonabee Cree Nation, Norway House, Hollow Water, Little Grand Rapids and Pauingassi. Other communities are Disbrowe Island and Fairholme Hutterite Colony. The Community Liaison Program is currently dormant due to a lack of staff resources.

**CRITICAL BACKGROUND:**

The program incorporated mainstream geological science and post-secondary college education and combined community members skill-sets (youth to Elder) in a culturally respectful environment where land use information and issues were shared. The program drove a focus of finding solutions and resolving concerns related to land use, and was structured to link to future land use planning. Participants learned about the benefits of obtaining employment via a university education (e.g. water management, conservation, biology and/or geology). Students also participated in instrument use, data collection, and record keeping. The community identified and paid the participants in the program, provided free accommodation to the program staff for the duration of the program, and participated in the production of a 'poster' presenting a detailed overview of what the community wanted the public and industry to see and know about their community, including their vision for their community.

Due to liaison staff involvement in the Government-First Nation land use planning process in 2010, Little Grand Rapids First Nation wrote a request to the MGS inviting the MGS to geologically map the Horseshoe Lake greenstone in their traditional land-use area. This directly impacted the Pimachiowin Aki World Heritage Proposal, whereby the greenstone included in the Horseshoe-Owl lakes area was removed from the park proposal by the First Nation to allow future mineral exploration as part of their land use planning process.

As part of the national 2013 Geology Association of Canada – Mining Association of Canada (GAC-MAC) event taking place in Winnipeg, staff from the liaison program co-organized with the University of Manitoba, a special session to bring together First Nation Elders (ancestral teachers) and members of the geological community and academia to assess outreach programs being delivered to First Nation youth. The session explored the design of outreach programs to encourage a respectful understanding of cultural contrasts and teaching methodology.

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