

Manitoba  
Innovation, Energy and Mines

Innovation, Énergie et Mines  
Manitoba

**Annual Report  
2009 - 2010**

**Rapport annuel  
2009 - 2010**





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**MINISTER OF  
INNOVATION, ENERGY AND MINES**

Legislative Building  
Winnipeg, Manitoba CANADA  
R3C 0V8

His Honour the Honourable Philip S. Lee, C.M., O.M.  
Lieutenant Governor of Manitoba  
Room 235, Legislative Building  
Winnipeg, Manitoba  
R3C 0V8

May it Please Your Honour:

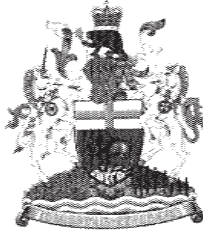
I am pleased to present the Annual Report for the Department of Innovation, Energy and Mines for the fiscal year ending March 31, 2010.

Respectfully submitted,

Original signed by...

Dave Chomiak  
Minister





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**MINISTER OF  
INNOVATION, ENERGY AND MINES**

Legislative Building  
Winnipeg, Manitoba CANADA  
R3C 0V8

Son Honneur l'honorable Philip S. Lee, C.M., O.M.  
Lieutenant-gouverneur du Manitoba  
Palais législatif, bureau 235  
Winnipeg (Manitoba) R3C 0V8

Monsieur le Lieutenant gouverneur,

J'ai le plaisir de présenter à Votre Honneur le rapport annuel du ministère des Innovation, Énergie et Mines pour l'exercice se terminant le 31 mars 2010.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

Le ministre,

L'original a signé par...

Dave Chomiak





**Innovation, Energy and Mines**

Deputy Minister  
Room 349, Legislative Building, Winnipeg, MB, R3C 0V8  
T 204-945-2771 F 204-945-2747  
www.gov.mb.ca

Honourable Dave Chomiak  
Minister of Innovation, Energy and Mines  
Room 343, Legislative Building  
Winnipeg MB R3C 0V8

Dear Minister Chomiak:

I have the honour of presenting the Annual Report for the Department of Innovation, Energy and Mines for the period April 1, 2009 to March 31, 2010.

The mission of the department is to help all Manitobans thrive by fostering innovation, enabling critical partnerships and networks, and continuously transforming service delivery.

The department has undertaken many activities in collaboration with our partners and stakeholders. I have profiled below, a few accomplishments that are a result of the activities:

- Pattern Energy Group has started construction on one of the largest wind farms in Canada, a 138 MW project located in southern Manitoba by the town of St. Joseph.
- Manitoba became the first jurisdiction in Canada to implement a biodiesel mandate. This occurred when Manitoba's mandate requiring an average of 2% biodiesel in diesel fuel sales came into force on November 1, 2009.
- Successfully facilitated the development of the new Cisco Endowed Chair in Collaborative Technologies at the University of Winnipeg. The program will enable Manitoba students and researchers to take the lead in world wide collaborative projects with the use of a new high capacity, high-speed data and voice network involving leading edge immersive video conferencing technologies.
- Responded to the needs of the province's digital media industry by extending the Manitoba Interactive Digital Media Tax Credit program to December 31, 2013.
- ICT Services Manitoba has taken the lead with government departments to help coordinate a continuous effort to further advance the online services that government offers to the residents of Manitoba. This included the further development of a Residents Portal which allows individuals to access programs and services through a one-stop single window, eCommerce solution for Statutory Publications in the Department of Culture, Heritage and Tourism, the development of a Pharmacare public look-up capability website in the Department of Health and the deployment of the dedicated Smart Search solution on the Manitoba Business Portal in the Department of Entrepreneurship, Training and Trade.

- New geoscience information produced during the Far North Geomapping Initiative is providing exploration companies with new ideas for exploring this remote part of Manitoba. The initiative has been successful in bringing provincial and federal government, university and First Nation workers together to develop greater understanding of the geology and mineral deposits northern Manitoba.
- In 2009, the petroleum industry spent \$485 million exploring for, developing and producing oil in Manitoba. Oil production grew 10.8% and reached a record 1,518,930 m<sup>3</sup> (9.56 million barrels) in 2009 with a total value of \$632 million.

The department will continue with implementing innovative initiatives and strategic planning that will contribute to Manitoba's success.

Respectfully submitted,



Original signed by...

John Clarkson  
Deputy Minister

Le sous-ministre  
Palais législatif, bureau 343, Winnipeg (Manitoba) R3C 0V8  
Tél. : 204 945-2771 Téléc. : 204 945-2747  
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Monsieur Dave Chomiak  
Ministre de l'Innovation, de l'Énergie et des Mines  
Palais législatif, bureau 343  
Winnipeg (Manitoba) R3C 0V8

Monsieur le Ministre,

J'ai l'honneur de vous présenter le rapport annuel du ministère de l'Innovation, de l'Énergie et des Mines pour la période du 1<sup>er</sup> avril 2009 au 31 mars 2010.

La mission du ministère est d'aider la population manitobaine à prospérer en encourageant l'innovation, en permettant la mise en place de partenariats et de réseaux essentiels et en transformant continuellement la prestation de services.

Le ministère a entrepris plusieurs activités en collaboration avec ses partenaires et les groupes intéressés. J'ai décrit ci-dessous quelques réalisations qui résultent de ces activités.

- La société Pattern Energy Group a commencé la construction d'un des plus grands parcs éoliens du Canada (138 MW), près du village de Saint-Joseph, dans le sud du Manitoba.
- Le Manitoba est devenu la première province canadienne à mettre en place un quota pour le biodiésel. Depuis le 1<sup>er</sup> novembre 2009, le carburant diesel mis en vente doit contenir en moyenne 2 % de biodiesel.
- Le ministère a facilité la création de la chaire (dotée par la société Cisco) de technologies fondées sur la collaboration, à l'Université de Winnipeg. Le programme permettra aux étudiants et aux chercheurs du Manitoba de prendre une longueur d'avance en ce qui concerne les projets de collaboration à l'échelle mondiale, grâce à l'utilisation d'un nouveau réseau de données et d'audio-messagerie à grande capacité et à grande vitesse qui met en œuvre des technologies immersives de pointe en matière de vidéoconférence.
- Le ministère a répondu aux besoins de l'industrie des médias numériques de la province en prolongeant le crédit d'impôt pour les médias numériques interactifs jusqu'au 31 décembre 2013.
- La Division des technologies de l'information et des communications du Manitoba a joué un rôle moteur en contribuant à la coordination des efforts déployés continuellement par les ministères pour accroître les services en ligne que le gouvernement offre aux résidents du Manitoba. Cela s'est notamment traduit par la poursuite du développement d'un portail des résidents qui permet aux particuliers d'accéder à des programmes et à des services par l'intermédiaire d'un guichet unique, la mise en place d'une solution de commerce électronique pour les publications officielles (ministère de la Culture, du Patrimoine et du Tourisme), la création d'un site Web sur le Régime d'assurance-médicaments avec capacité de consultation par le public (ministère de la Santé), et la mise en place d'une solution de recherche intelligente spécialisée pour le portail des entreprises du Manitoba (ministère de l'Entrepreneuriat, de la Formation professionnelle et du Commerce).

- L'Initiative de géocartographie du Grand Nord a permis de recueillir de nouveaux renseignements géoscientifiques qui donnent à l'industrie de nouvelles idées d'exploration dans cette région éloignée du Manitoba. Cette initiative a permis une collaboration réussie entre le gouvernement provincial, le gouvernement fédéral, le secteur universitaire et les travailleurs autochtones, dans le but de mieux comprendre la géologie et les dépôts minéraux dans le nord du Manitoba.
- En 2009, l'industrie pétrolière a dépensé 485 millions de dollars pour l'exploration et la production pétrolières ainsi que pour le développement de ressources pétrolières. La production a augmenté de 10,8 % et a atteint le niveau record de 1 518 930 m<sup>3</sup> (9,56 millions de barils) en 2009, ce qui représente une valeur totale de 632 millions de dollars.

Le ministère continuera de promouvoir la planification stratégique et les initiatives innovatrices qui contribueront au succès du Manitoba.

Je vous prie d'agréer, Monsieur le Ministre, l'assurance de ma haute considération.

Le sous-ministre,

L'original a signé par...

John Clarkson



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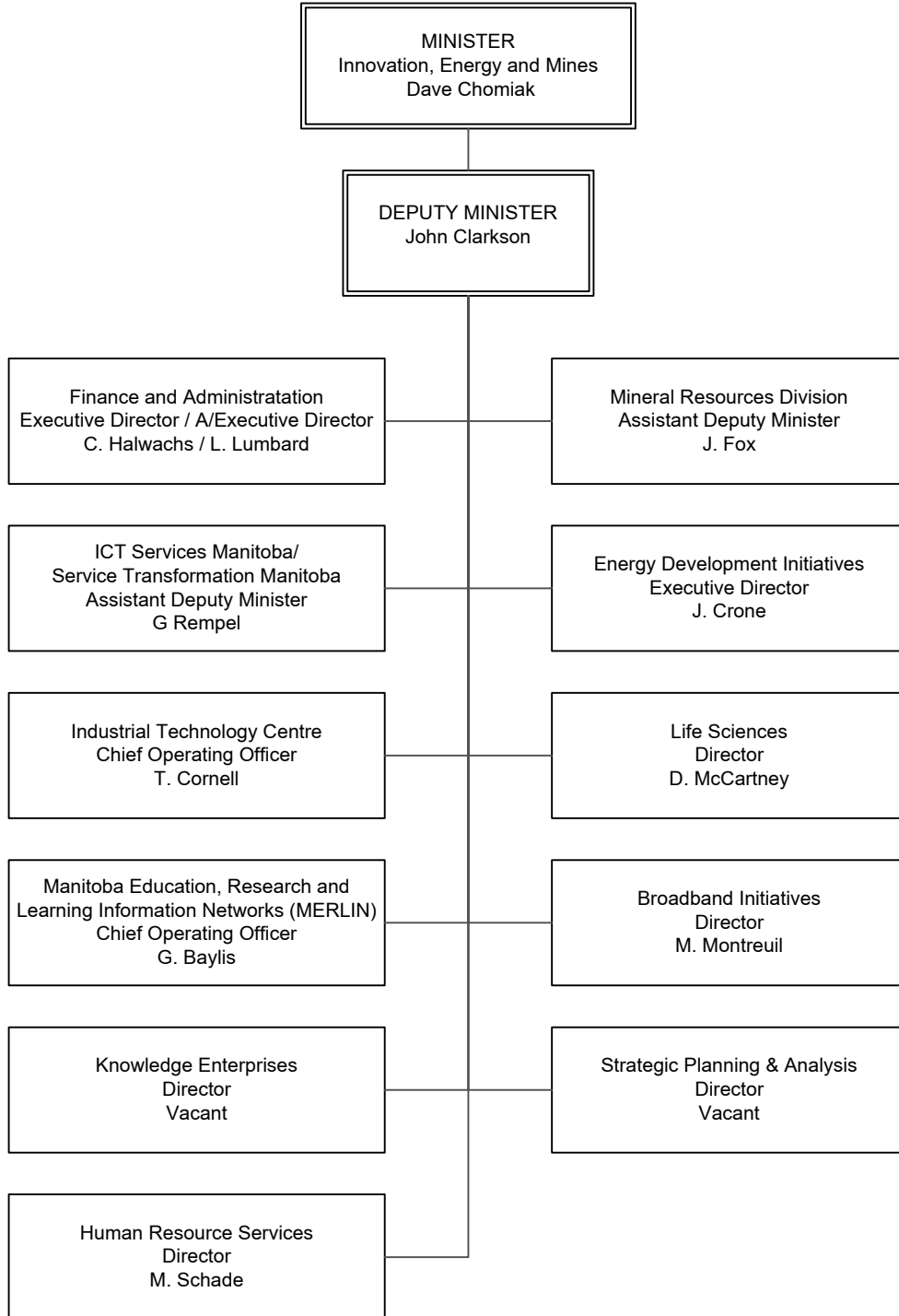
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**INNOVATION, ENERGY AND MINES  
ORGANIZATION CHART  
March 31, 2010**





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## **PREFACE**

### **REPORT STRUCTURE**

The Annual Report is organized in accordance with the department's appropriation structure and the Main Estimates of Expenditure for the Province. The Report includes financial performance and variance information at the main and sub-appropriation levels and information relating to the department's objectives and results at the sub-appropriation level. The Report also includes information about associated agencies, business assistance, revenue and expenditures, a five-year comparison of expenditures and a staffing analysis.

### **STATUTORY RESPONSIBILITIES**

The Minister of Innovation, Energy and Mines is responsible for the following:

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The Biofuels Act.....	B 40
The Economic Innovation and Technology Council Act.....	E 7
The Energy Act.....	E 112
The Gaming Control Act .....	G 5
The Gaming Control Local Option (VLT) Act.....	G 7
The Gas Pipe Line Act.....	G 50
The Gas Allocation Act .....	G 52
The Greater Winnipeg Gas Distribution Act (S.M. 1988-89, c. 40) .....	-
The Manitoba Health Research Council Act .....	H 28
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The Surface Rights Act.....	S 235
The Winter Heating Cost Control Act.....	W 165

As per Order-In-Council 350/2009

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## **SUSTAINABLE DEVELOPMENT**

The department is committed to the Principles and Guidelines set out in The Sustainable Development Act and works to incorporate them in department activities, programs and business practices.

The Principles and Guidelines of Sustainable Development are:

1. Integration of Environmental and Economic Decisions
2. Stewardship
3. Shared Responsibility and Understanding
4. Prevention
5. Conservation and Enhancement
6. Rehabilitation and Reclamation
7. Global Responsibility
8. Efficient uses of Resources
9. Public Participation
10. Access to Information
11. Integrated Decision Making and Planning
12. Waste Minimization and Substitution
13. Research and Innovation.

The Sustainable Development Procurement Goals:

1. Education, Training and Awareness
2. Pollution Prevention and Human Health Protection
3. Reduction of Fossil Fuel Emissions
4. Resource Conservation
5. Community Economic Development

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## ORGANIZATION

The department's 2009/2010 organization structure is illustrated in the Organization Chart, page i. The roles, responsibilities and staffing are outlined in the following information.

## ROLE AND RESPONSIBILITIES

### MINISTER

HONOURABLE DAVE CHOMIAK

### DEPUTY MINISTER

JOHN CLARKSON

## VISION STATEMENT

*Manitoba is the place where innovation flourishes, ideas grow and people prosper.*

## ROLE AND MISSION

The department will build the capacity for Manitobans to prosper through innovation, by

- creating strategic partnerships;
- encouraging investment;
- enabling the right infrastructure, and access to it;
- promoting awareness and knowledge;
- championing critical policy development; and
- facilitating development of the province's energy and mineral resource and knowledge-based economy.

## FOCUS

The Department was established in recognition of the following:

- **Innovation** is key to future economic development and **capacity to deliver** government initiatives;
- **Energy and Mines** are critical to the further development of the Manitoba economy;
- Government's need to **focus** economic development priorities; and
- **Strengthen** government's approach to economic development.

The Department will:

- focus provincial innovation activities;
- assist in the growth and success of our science, research and technology assets;
- foster a positive environment to enable economic development opportunities related to energy initiatives;
- strengthen, develop, grow and attract knowledge-based industries;
- focus government's business transformation and information technology requirements;
- build community based partnerships through connectivity;
- strategically develop Manitoba's energy resources, in co-operation with public and private sectors;
- support innovation in communities and schools;
- link government's own IT activities with innovation and economic development;
- provide geoscientific information vital to address land-use and environmental issues facing Manitobans; and
- provide for and encourage the environmentally friendly sustainable economic development of the province's mineral and petroleum resources.

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The Department will work collaboratively with business, individuals, government departments and communities to:

- strengthen their capacity to innovate;
- enhance the competencies they need to prosper;
- raise their profile locally, nationally and internationally; and
- foster an environment that supports sustainable economic growth.

To achieve its mission, the department is organized in five divisions:

**ADMINISTRATION AND FINANCE DIVISION** provides for the executive management, planning and control of departmental policies and programs; administrative support is provided through the Department of Entrepreneurship, Training and Trade in the areas of human resource services, finance and administration and management information systems.

**ENERGY DEVELOPMENT INITIATIVES DIVISION** develops and implements energy development initiatives and economic development strategies involving hydro-electric resources and alternate energy development opportunities. This includes developing, monitoring and co-ordinating the implementation of energy-initiatives and related provincial programs.

**SCIENCE, INNOVATION AND BUSINESS DEVELOPMENT DIVISION** functions as the government's primary focus for business development services to industry and communities in the areas of life sciences, knowledge enterprises, technology and infrastructure to support economic growth and stimulate employment; develops strategic plans, business plans and provides research, analysis and evaluation services; develops, analyzes and communicates policies related to innovation, research, and development, technology and telecommunications; oversees the implementation of the Manitoba Centres of Excellence Fund and the Manitoba Research and Innovation Fund; provides a coordinating function for all research, innovation, science and technology initiatives in government; facilitates economic development in Manitoba through the provision of industrial technology services; provides funding for health research initiatives and; provides distance education technology services for the provincial education systems.

**MANITOBA INFORMATION AND COMMUNICATION TECHNOLOGIES DIVISION** is responsible for positioning information & communications technologies to support program delivery within the Government of Manitoba and broader public sector; develops key information and communication technology (ICT) strategies, policies, standards and business processes to optimize the delivery of core ICT functions in support of service delivery goals; provides an information and communication technology environment within government where appropriate technologies are fully integrated with service delivery requirements; provides analytical framework for review and approval of all ICT plans, projects and expenditures; and develops a service relationship with stakeholders to ensure that service strategies are aligned with government's program and service priorities.

**THE MINERAL RESOURCES DIVISION** promotes wise land management and environmentally sustainable economic development in the province based on Manitoba's mineral and petroleum resources; provides authoritative documentation of the province's mineral and petroleum endowment and development potential; delivers mineral incentive programs; administration of legislation governing the disposition of mineral and petroleum rights, exploration, development and production of Manitoba's mineral and petroleum resources and, the rehabilitation of mines, quarries and abandoned petroleum sites; provides for the resolution of disputes between surface and/or mineral rights holders with respect to accessing minerals including oil and gas.

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## ADMINISTRATION AND FINANCE

The Administration and Finance Division comprises the Executive Support Offices and the shared Financial and Administrative Services section of Entrepreneurship, Training and Trade.

### MINISTER'S SALARY AND EXECUTIVE SUPPORT

Executive Support includes the Offices of the Minister and Deputy Minister. The Minister provides leadership and direction to ensure the goals and objectives of the department are accomplished. The Office of the Deputy Minister provides the Minister with advice and information regarding issues and matters of concern to the department. Executive Support is responsible for providing the department with policy direction and the overall planning and co-ordination of departmental activities.

#### 18-1(a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 2009/10 \$	Estimate 2009/10 FTE	\$	Variance Over (Under)	Expl. No.
Minister's Salary	46	1.00	46	-	
<b>Total Expenditures</b>	<b>46</b>	<b>1.00</b>	<b>46</b>	<b>-</b>	

#### 18-1(b) Executive Support

Expenditures by Sub-Appropriation	Actual 2009/10 \$	Estimate 2009/10 FTE	\$	Variance Over (Under)	Expl. No.
Total Salaries & Employee Benefits	486	6.00	492	(6)	
Total Other Expenditures	64		73	(9)	
<b>Total Expenditures</b>	<b>550</b>	<b>6.00</b>	<b>565</b>	<b>(15)</b>	



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# ADMINISTRATION AND FINANCE

## FINANCIAL AND ADMINISTRATIVE SERVICES

Financial and Administrative Services is comprised of three primary components: Finance and Administration, Human Resource Services and Computer Services. The branch provides shared Financial, Administrative and Computer Services to the departments of Entrepreneurship, Training and Trade and Innovation, Energy and Mines. Human Resource (HR) Services that support Innovation, Energy and Mines and its SOA's are part of the consolidated HR unit that also services the Departments of Culture, Heritage, Tourism, Finance and its Special Operating Agencies (SOAs), and the Office of the Auditor General.

### OBJECTIVES

The objectives of Financial and Administrative Services are to: provide leadership, program direction and operational coordination to support department activities; to provide high quality, timely and customer responsive administrative, financial management, information technology and human resource services; develop and administer appropriate administrative and financial standards, policies and procedures; and to develop and maintain appropriate reporting systems to provide timely and accurate decision-making information to senior management in the departments and in central agencies through a centralized support service.

### ACTIVITIES/RESULTS

**Finance and Administration** supports the mission and goals of the Department by:

- Processing payments and receipts;
- Providing computer business application development and support services;
- Administering and coordinating the Department's parking and pool vehicle programs;
- Providing for physical accommodations;
- Providing advisory and specialized accounting and financial management services to departmental personnel and related entities;
- Coordinating French Language services;
- Coordinating the departmental administration of the *Freedom of Information and Protection of Privacy Act* and *The Public Sector Disclosure (Whistleblower Protection) Act*;
- Managing the department's records management program; and
- Providing timely, accurate and relevant information to departmental and central agency decision-makers including budgetary, cash flow and year end reporting.

### 18-1(c) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual 2009/10 \$	Estimate 2009/10 FTE	Variance Over (Under)	Expl. No.
Total Other Expenditures	149	150	(1)	
<b>Total Expenditures</b>	<b>149</b>	<b>150</b>	<b>(1)</b>	

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## ENERGY DEVELOPMENT INITIATIVES

The Energy Division's primary responsibilities are to facilitate clean, renewable energy development, develop broad provincial energy policy for both supply and demand side energy activities in Manitoba, and seek economic development opportunities related to energy development and energy efficiency activities.

Manitoba has become a "powerhouse" in terms of clean energy, utilizing renewable resources such as water, wind, solar and biomass to produce electricity to power our homes and industry, to fuel vehicles and to heat our houses and buildings. Renewable energy sources like hydroelectricity, wind energy, geothermal, biofuels and biomass cubes and pellets are commercial today, while Manitoba continues to gain experience in the clean energy technologies of tomorrow including electric vehicles and associated infrastructure, fuel cells, advanced energy storage devices, smart grid concepts and devices, advanced low temperature heat pumps and second generation biofuels. Manitoba is also recognized as a North American leader in terms of energy efficiency activities for both electricity and natural gas.

The activities of the division contribute to major capital investments in Manitoba, help Manitoba communities realize new economic opportunities, help reduce harmful greenhouse gas emissions, and contribute to Manitoba becoming more energy self-sufficient.

### OBJECTIVES

The primary objectives of the Energy Division include: developing and implementing provincial strategies and programs and providing business development support that facilitates the development of renewable energy sources; developing, analyzing and implementing provincial government's energy policies; providing oversight of existing programs and developing new programs to maximize energy efficiency activities in Manitoba; monitor and analyze global energy trends and promote Manitoba's clean energy trade opportunities in the US and Canada.

### ACTIVITIES/RESULTS

The following provides a summary of activities:

**Hydro-Electric Developments:** Highlights of major hydroelectric developments in Manitoba include the ongoing construction of Manitoba Hydro's 200 MW Wuskwatim dam and Manitoba Hydro's ongoing work to finalize terms and conditions related to the term sheets for a potential 500 MW power sale to Wisconsin Public Service and a potential sale of 250 MW to Minnesota Power.

The Energy Division continued to participate in the inter-departmental Major Hydro Projects Working Group tasked with ensuring major hydroelectric development related permitting processes are coordinated and streamlined. The division also participated on the steering committee for Crown Consultations with First Nations and Metis Communities related to the proposed Keeyask infrastructure project.

The Energy Division continued to help profile Manitoba's hydroelectric resources as a clean renewable electricity source for potential power sales into the US and Canada. Staff participated in US/Canada Clean Energy Dialogue meetings promoting hydroelectricity as a suitable clean energy source to help meet US state renewable energy portfolio standards. Staff provided strategic advice and briefing material to help senior government officials, ministers and the Premier advance discussions regarding renewable hydroelectricity at events like the Western Governors Association, Council of Energy Ministers, Midwest Legislators Forum, Western Premiers meetings, Council of Federation, Saskatchewan/Manitoba energy discussions, etc.

**Wind Power:** In addition to the 99 megawatt (MW) St. Leon project owned and operated by Algonquin Power, Pattern Energy Group has started construction on its 138 MW wind farm located in southern Manitoba, by the town of St. Joseph. The 138 MW project is one of the largest wind farms in Canada and will utilize 60 - Siemens, 2.3 MW turbines. The \$345 million dollar project is expected to be producing electricity by the end of 2010. The Energy Division provided business development support to Pattern Energy and participated on the St. Joseph Wind Energy Project Crown-Aboriginal Consultation Committee.

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The Energy Division continued to coordinate the monitoring of wind at several strategic locations throughout the Province. Private landowners in the rural municipalities of Manitou and Hamiota participated in the program as well as Black River and Waywayseecappo First Nations. The community wind monitoring program will create new meteorological data to be used to provide a summary of Manitoba's wind energy potential for both communities and the wind industry.

The Department continues to provide support to Manitoba communities, First Nations and wind energy companies interested in developing or attracting wind energy projects.

**Geothermal (Ground Source Heat Pumps):** Manitoba is a Canadian leader in geothermal through an innovative geothermal industry resulting in approximately \$30+ million of annual direct sales and approximately 8,000 total installed geothermal systems. On a per capita basis, Manitoba installs geothermal at more than three times the Canadian average.

The Energy Division developed province-wide geothermal incentives that came into effect January 1, 2009 for home and building owners. These incentives provide a market assisted approach where the consumer directs the decision whether to select geothermal. For eligible new homes, approximately \$3,000 of geothermal incentives is available, including a refundable Green Energy Equipment Tax Credit of \$2,000 and an incentive grant of \$1,000. For eligible existing homes, a refundable Green Energy Equipment Tax Credit of approximately \$2,100 is typically available. Commercial building owners are eligible to receive up to 10% of the value of their installed geothermal systems and building owners who install district geothermal service systems are eligible for an incentive grant up to \$150,000.

An educational geothermal centre at the Forks Market was co-funded by the Department in collaboration with the Forks Renewal Corporation. This geothermal centre will be coupled with the Forks Market innovative geothermal system that is under construction. The centre will provide a capacity to host tours of geothermal energy with schools and other interested stakeholders. The educational geothermal centre will contribute to the expansion of green heat through the education and demonstration of geothermal energy.

The Energy Division also continues to advance the development of industry infrastructure including a financial commitment of \$81,000 in 2009/10 to the Manitoba Geothermal Energy Alliance (MGEA). This support is to assist with the launch of the Manitoba geothermal industry association including the delivery of its quality assurance program.

**Low Temperature Air-Source Heat Pumps:** The Energy Division launched a field study of low temperature air-source heat pumps to assess the energy performance of this technology under real Manitoba climate conditions. The study is expected to be completed in early 2011.

**Biodiesel:** Energy Division staff completed the Biodiesel Mandate Regulation and the mandate requiring an average of 2% biodiesel in diesel fuel sales came into force on November 1, 2009. This made Manitoba the first jurisdiction in Canada to implement a biodiesel mandate. A biodiesel promotional campaign was developed for the print media and a change in the biodiesel production incentive from a tax exemption to a grant was approved. Three biodiesel plants have been constructed in the province representing an annual production capacity of 33 million litres. Two of the plants, one in Winnipeg and one in Arborg have been licensed as commercial facilities while a third plant in Beausejour is also expected to be licensed in the near future. Further testing and commissioning support totalling \$50,000 in 2009/10 was provided to assist in the start-up of these plants.

**Ethanol:** The Energy Division monitored ethanol production and distribution into the Manitoba marketplace for incentive payout purposes related to Husky Energy's Minnedosa ethanol plant. The Energy Division continued to work with proponents interested in developing additional ethanol production facilities.

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**Hydrogen:** The Energy Division continued activities on a transition of the existing Hydrogen Centre of Expertise Inc., developing plans to broaden its mandate to include a range of emerging renewable energies and associated technologies. In January 2010, an important Renewable Hydrogen Symposium was held in Winnipeg, sponsored by the Canadian Hydrogen and Fuel Cell Association and the national H2Can Network. The Hydrogen Centre of Expertise provided some financial support for this event, with funding from an earlier allocation to the Centre from the Manitoba Climate Change Action Fund (MCCAF). Suitable recognition was provided to the Centre and also to MCCAF at this event.

**Electricity Reliability:** In June of 2009, the Government passed the Manitoba Hydro Amendment and Public Utilities Board Amendment Act (Electrical Reliability). This Act effectively provides the statutory authority to regulate electrical reliability standards in the Province of Manitoba. The Energy Division is developing regulations under the Act that will make standards mandatory and designate a compliance body to monitor compliance with reliability standards.

**Energy Efficiency:** The Province of Manitoba's Lower Income Residential Efficiency Program continued to build on a successful track record of retrofitting homes to reduce energy and water consumption, lower utility costs, and help revitalize neighbourhoods. Support provided to community-based organizations in Winnipeg (BUILD) and Brandon (BEEP) enabled the retrofit of approximately 400 Manitoba Housing units and private lower income homes combined. Numerous trainees benefited from participation in the skills-training portion of the retrofit programs, helping position them to overcome challenges related to finding and retaining meaningful employment. This initiative has leveraged over \$350,000 in federal funding from Natural Resources Canada's ecoENERGY program for reinvestment into additional efficiency retrofits. Key partners on these programs are Entrepreneurship, Training and Trade (ETT), Manitoba Hydro, Housing and Community Development, and Water Stewardship.

**Plug-in Hybrid Electric Vehicles (PHEVs):** The Energy Division continued the plug-in hybrid electric vehicle (PHEV) demonstration, with the main group of nine conventional Toyota Priuses converted to PHEV at Red River College using Hymotion conversion technology from A123Systems Inc. One vehicle had been converted earlier. All vehicles are continuing operation as PHEV in the Winnipeg vicinity as part of the fleets of five different public sector organizations. Assistance was provided to Manitoba Hydro using six vehicles from the demonstration to permit a simultaneous test recharging of eight PHEV on a single circuit, the largest such test ever conducted in the world. Energy Division staff also, in conjunction with Red River College, prepared a detailed report of the first year results for the demonstration, although not yet publicly released. Roll-out of a demonstration of ten PHEV has been completed, all being operated in public sector fleets in Manitoba using Hymotion conversion technology from A123Systems Inc. with nine of the vehicles converted at Red River College.

**Biomass for Heat:** The Energy Division continued to work closely with department of Manitoba Agriculture, Food and Rural Initiatives on biomass fuel for heating applications. Energy staff primarily provided business support in discussions with a variety of interested biomass processors and biomass technology developers, with individual industries in continuing to explore the use of biomass to displace fossil fuels, and in discussions on possible appropriate incentive options for biomass fuels.

**Western Grid:** The Energy Division is participating on the Western Grid Working Group which is studying the potential for a Western Grid that would connect the electric power systems of the provinces of Alberta, Saskatchewan and Manitoba. The Western Grid could form part of an East-West Grid linking other power markets across Canada. The Western Grid has the potential to help meet provincial and federal climate change targets, provide competitively clean energy and increase the security and reliability of energy supply. The working group commissioned consultants to conduct technical, economic and siting and approvals studies for the Western Grid concept. A draft report was completed in March of 2010.

**Midwestern Energy Security and Climate Stewardship:** The Province of Manitoba along with several states across the Midwestern US signed an agreement to pursue new initiatives aimed at reducing carbon emissions and promoting clean energy production and use. Manitoba's involvement in this agreement included working groups on renewable energy, energy efficiency and a cap and trade mechanism for greenhouse gas emission reductions.

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**18-2(a) Energy Development Initiatives**

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<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2009/10 \$</b>	<b>Estimate 2009/10 FTE</b>	<b>\$</b>	<b>Variance Over (Under)</b>	<b>Expl. No.</b>
Total Salaries & Employee Benefits	764	10.00	978	(214)	
Total Other Expenditures	2,104		1,350	754	1
<b>Total Expenditures</b>	<b>2,868</b>	<b>10.00</b>	<b>2,328</b>	<b>540</b>	

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*1. Due to Hybrid Vehicle Rebate Program*

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# SCIENCE, INNOVATION AND BUSINESS DEVELOPMENT

## SCIENCE, INNOVATION AND BUSINESS DEVELOPMENT

### OBJECTIVES

The main focus of Science, Innovation and Business Development (SIBD) is to provide Manitoba with a comprehensive, integrated and coordinated approach to innovation, research and technology initiatives including:

- research, innovation and technology policy development and coordination;
- coordinating investments to support research and innovation in Manitoba;
- knowledge based industry development and growth;
- building Manitoba's life sciences, ICT and digital media presence;
- smart community development; and
- extending broadband access to all of Manitoba.

SIBD's mission is *to promote and enhance a climate of research, innovation and technology development that spurs responsible economic development for the benefit of all Manitobans*. Its objectives are to:

- develop public policy initiatives in support of research, innovation and technology development;
- develop a provincial innovation infrastructure;
- build and strengthen the research and innovation capacity within the province;
- build community capacity for sustained economic development in the new economy;
- build the capacity for new company formation, attraction and growth; and
- coordinate the implementation of public policy initiatives in the areas of research, information technologies, and investments.

### PROGRAM AREAS

#### **Strategic Planning and Analysis**

Strategic Planning and Analysis provides a central role for the Department in areas of strategic and operational planning and organizational development. Strategic Planning and Analysis also provides policy and research support to the Department and is the lead across government on the development and implementation of policy, strategies and initiatives on innovation, science and research issues.

#### **Knowledge Enterprises**

Knowledge Enterprises works in partnership with key stakeholders to develop an innovation environment in which the Information Communications and Technology (ICT), digital media and customer contact centre sectors can thrive.

#### **Life Sciences**

Life Sciences works with multiple public and private stakeholders to strengthen Manitoba's globally competitive life sciences cluster in the health, agri-food, nutraceutical and environment sectors, leading to positive social and economic outcomes for all Manitobans.

#### **Broadband Initiative**

Broadband Initiative works with the private sector and community based organizations in order to provide high-speed connectivity and Broadband capacity to those areas in the province where such services do not currently exist.

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## **ACTIVITIES/RESULTS**

### **Strategic Planning & Analysis**

#### **Manitoba Research and Innovation Fund (MRIF)**

With a core allocation of \$11 million in 2009/10, the Manitoba Research and Innovation Fund (MRIF) is the primary vehicle for funding provincial research and innovation in the Department of Innovation, Energy and Mines (IEM). Established in 2003/04, the MRIF has three primary support elements: the Research Fund; the Health Research Initiative (HRI); and the Innovation Fund. In 2009/10, it also supported the Broadband Connectivity initiative with additional funding of \$200,000, Community Connections with \$200,000 and Digital Media with \$500,000, for a total programming budget of \$11.9 million. One-time additional resources of \$750,000 were provided to the Research Fund and Innovation Fund from the Urban Development Initiative.

The objectives of the MRIF are:

- to increase the capacity of Manitoba's universities, colleges, hospitals and other not-for-profit institutions to carry out important world-class scientific research and technology development through the funding of research projects identified as a priority by the Province;
- to increase Manitoba's capacity for innovation through the support of science and technology awareness, technology commercialization and other strategic initiatives;
- to enhance job creation, economic growth, productivity and competitiveness;
- to encourage collaboration between and within the private sector and research institutions;
- to enhance Manitoba research institutions' abilities to attract and keep world-class researchers and skilled technicians, and to conduct state-of-the-art research; and
- to develop improvements for Manitobans' health, environment, and quality of life.

#### **Research Fund**

This program element had a \$7.8 million allocation for 2009/10 which included a \$7.5 million base allocation and \$250,000 Urban Development Initiative (UDI) recoverable support. Its focus is on expanding Manitoba's research capacity, enhancing research infrastructure, enabling research programs, and providing key support to emerging programs in such areas as genomics, proteomics and bioinformatics research.

#### **Projects Funded**

In 2009/10, projects approved for funding included: The Churchill Northern Studies Centre; Manitoba Centre for Proteomics and Systems Biology (MHRC Research Bursary Program); Microbial Genomics for Biofuels and Co-products from Bio-refining Processes and other Genome Canada projects; support for the Science and Technology International Collaboration Fund; and various Canada Foundation for Innovation (CFI) projects at the Universities of Manitoba, Brandon, and Winnipeg.

#### **Health Research Initiative (HRI)**

HRI funding, totalling \$2.0 million was provided to five Manitoba health research centres in 2009/10 to assist in supporting research overhead costs. The program funds were apportioned to each centre according to a formula that has been used consistently since the program's inception in 1996/97. Payments to each HRI participant in 2009/10 were as follows:

CancerCare Manitoba	\$ 200,000
Manitoba Institute of Child Health	\$ 140,000
Health Sciences Centre	\$ 440,000
St. Boniface General Hospital Research Centre	\$ 320,000
University of Manitoba	<u>\$ 900,000</u>
Total	\$ 2,000,000

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## **Innovation Fund**

This program element is used to assist in the implementation of identified strategic Manitoba Government innovation priorities. Funding in this stream is catalytic, supports the broader industry in developing their innovation structures, and promotes economic development by leveraging and expanding research capacity and assisting with technology commercialization.

In 2009/10, over \$1.9 million of Innovation Fund support was provided to various projects including the following:

- Banff Venture Forum
- Biomedical Commercialization Canada
- E-Index
- Eureka Incubator
- Genome Prairie
- Information and Communications Technologies Association of Manitoba (ICTAM)
- Life Sciences Association of Manitoba (LSAM)
- Manitoba Agri-Health Research Network
- Manitoba Health Research Council
- MindSet
- MITACS
- TRILabs
- Virtual Reality Fund

## **Manitoba Centres of Excellence Fund (MCEF)**

The Manitoba Centres of Excellence Fund (MCEF) is the Manitoba Government's research and development support mechanism for those Manitoba based researchers who have been successful under the Federal Government's Networks of Centres of Excellence (NCE) initiative. The national headquarters for the Intelligent Sensing for Innovative Structures (ISIS) network that conducts research and development on advanced composite materials and electronic sensors for construction engineering projects such as bridges and earthquake resistant buildings is located at the University of Manitoba, and has received major MCEF support over the past decade. Since its inception in 1989/90 MCEF, has provided some \$8.4 million of matching support for projects.

During 2009/10, MCEF support totalling \$733,800 was provided to the following University of Manitoba projects and leveraged federal NCE research funding at the 5:1 ratio:

- Intelligent Sensing for Innovative Structures
- Sustainable Forest Management Network
- Canadian Arthritis Network
- Canadian Water Network
- The Automobile of the 21<sup>st</sup> Century
- ArcticNet
- Advanced Foods and Materials Network
- Canadian Stroke Network
- PrioNet



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## Science and Technology International Collaboration Fund (STIC)

In 2007/08, a new program called the STIC Fund was launched to support international collaborative research projects with the potential to generate commercial activity and economic benefit for the Province of Manitoba. \$1.0 million per year for five years has been set aside from the research component of MRIF to support a variety of international research collaborations.

Projects funded under the STIC fund in 2009/2010 include:

- Dr. Frank Plummer, Public Health Agency of Canada and Hebrew University – HIV/AIDS research (\$100,000)
- Dr. Jim House, University of Manitoba and the University of Adelaide, Australia – Functional foods (Omega 3) (\$100,000)
- Dr. Michael Freund and the California Institute of Technology – Renewable energy systems (\$146,500)
- Dr. John Wilkins, University of Manitoba and the University of Adelaide, Australia - Proteomics (\$100,000)
- Dr. Curtis Rempel and the University of Adelaide, Australia – Functional foods (\$100,000)
- Dr. Robert Hill, University of Manitoba and the South Australian Research and Development Institute (SARDI) - Brassica development (\$100,000)
- Bob Adamson, ABE– Student exchanges (\$20,000)
- Dr. David Levin, University of Manitoba and Scion in New Zealand – Biofuels (\$97,628)
- Dr. David Levin, University of Manitoba and South Australia (SARDI) – Microalgae (\$25,000)
- Sean McKay, Composites Innovation Centre and Scion, New Zealand (\$64,388)

## Manitoba Network for Science and Technology (MindSet)

MindSet is an IEM sponsored initiative led by a full-time Program Coordinator that supports the development, co-ordination and implementation of year-round science and technology awareness activities in Manitoba. MindSet encourages and promotes:

- scientific and technological awareness, knowledge, ability and skills;
- improved school-to-work transition in science and technology areas; and
- innovation in science and technology.

In particular, MindSet's role is primarily one of facilitating, networking, communicating and implementing activities, especially in areas important to the provincial economy. These areas include information technology, biotechnology, aerospace, advanced manufacturing, composites and new materials and digital media. MindSet's key activities in 2009/10 included:

- Girls in Gaming Program
- Microsoft Partnership Programs
- Partners in Learning (PiL) Program
  - Peer Coaching
  - 21st Century Leadership Program
  - MARVIN software
  - Innovative Teachers Awards
- Mobile Learning Conference
- National BioScience Educators Conference
- National Biotechnology Week
- New Media Workshops
- Sanofi-Aventis BioTalent Challenge
- Science Fairs
- Serious Games Conference
- Summer Institutes
- Teacher Professional Development Workshops

- 
- Teaching With Games
  - Win-Cube Student Satellite Program
  - Youth Biomedical Program

MindSet continues to play a critical role in creating awareness and interest in science and technology careers among Manitoba educators and students.

### **Manitoba Health Research Council (MHRC)**

In 2009/10, the Department provided \$6.0 million in funding to the Manitoba Health Research Council to support research grants and personnel awards it provides to the research community and for the administration of the Council. This funding also helped implement the *Envisioning the Future* strategic plan developed by the Council.

MHRC's new strategic direction is based upon four action areas which will increase the strength and capacity of the health research community in Manitoba:

- Establish MHRC as the coordinating body for health research in Manitoba;
- Develop, recruit and retain the best research faculty;
- Facilitate research networks, linkages and communication; and
- Move research evidence into practice.

In 2009/10, the MHRC worked with seven partners (CancerCare Manitoba, Health Sciences Centre Foundation, Manitoba Lung Association, Manitoba Institute of Child Health, Manitoba Medical College Foundation, the St. Boniface Hospital Research Centre and University of Manitoba Graduate Fellowships) to increase support for trainees in Manitoba. This support leveraged in excess of \$400,000 in external funding.

Members of the MHRC Board of Directors are:

**Dr. J. Dean Sandham**, Dean, Faculty of Medicine, University of Manitoba (Chair)  
**Dr. Judith Bartlett**, Associate Professor, Centre for Aboriginal Health, University of Manitoba  
**Mr. Lynn Bishop**, Chair, Health Sciences Centre Foundation and General Manager, Cargo Jet  
**Dr. Henry Friesen**, Distinguished Professor Emeritus, University of Manitoba  
**Dr. Albert D. Friesen**, President and CEO, Medicare  
**Mr. Ray Hoensen**, Director, Applied Research and Commercialization, Red River College  
**Dr. Digvir Jayas**, Vice-President, Research, University of Manitoba  
**Dr. Arnold Naimark**, Director, Centre for the Advancement of Medicine  
**Dr. Brian Postl**, CEO, Winnipeg Regional Health Authority  
**Dr. Brent Schacter**, Chief Executive Officer, Canadian Association of Provincial Cancer Agencies  
**Dr. Ian Smith**, Director General, National Research Council Institute for Biomedical Research

Additional information is available from the MHRC Annual Report.

### **Knowledge Enterprises**

The Knowledge Enterprises Branch activities for 2009/10 were focused mainly in the following five areas:

1. Creating an Environment Fostering ICT and Digital Media Business Development
2. Increasing ICT and Digital Media Research and Technology Commercialization
3. Marketing and Attracting Investment in Manitoba's ICT and Digital Media Sectors
4. Ensuring a skilled and Available ICT Labour Force
5. Enhancing The Capacity Of Manitoba Communities To Participate In The Knowledge Economy

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## 1. Creating An Environment Fostering ICT and Digital Media Business Development

### Industry and Professional Associations

SIBD worked closely with relevant industry and professional associations to promote competitiveness within Manitoba's knowledge based businesses; nurture the growth of an advanced technological infrastructure; and ensure the recruitment and retention of a skilled labour force. Such organizations include the Information and Communications Technologies Association (ICTAM), New Media Manitoba, The International Game Developers Association (Manitoba Chapter), and the Manitoba Customer Contact Association.

### Business Incubation

SIBD continued to be actively involved with three technology business incubation projects - The Eureka Project (Smartpark's Incubator), Biomedical Commercialization Canada (BCC) and the Fortune Cat Games Studio.

- **The Eureka Project** is a technology incubator focused on the priority sectors of information technology and wireless communication, advanced manufacturing and materials, functional foods and nutraceuticals and ag-biotech. Located at the University of Manitoba Smartpark, the incubator's objective is to provide the space, management expertise and resources for the successful development of high technology start-up companies in Manitoba; from the university and the community at large. SIBD continues to work with the program in an advisory capacity and provided a \$250,000 contribution under the Manitoba Research and Innovation Fund to support the continued operation of the incubator.
- **BCC** is a private sector, not-for-profit organization located at the Centre for Commercialization of BioMedical Technology. It provides a host of resources and people to help early-stage science and technology companies enter the market, secure investment and/or pursue their acquisition strategy. BCC assists its clients in the areas of: Facilities and Infrastructure, Mentoring, Coaching and Participation, and Finance and Investment. SIBD continues to work closely with the program and provided a \$250,000 contribution under the Manitoba Research and Innovation Fund to support the continued operation of the incubator.
- **Fortune Cat Games Studio** is a not-for-profit organization that is building on Manitoba's expertise and competitive advantages in the global video games industry. The incubator studio houses small video game companies of three to five people where each team is to produce a video game prototype that will be marketed to video game publishers. Fortune Cat Games Studio incubator is a collaboration of various strategic partners including the Winnipeg Partnership Agreement, Telefilm Canada, International Games Developers Association (IGDA) - Winnipeg Chapter, Red River College, Province of Manitoba, Industry Canada and Destination Winnipeg. The Branch continues to work closely with the program and provided a \$145,000 contribution under the Manitoba Research and Innovation Fund to support the continued operation of the incubator.

### New Market Readiness

SIBD provided \$25,000 this year to support the Market Access Program (MAP); a pilot project led by the ICTAM. MAP is a \$1.8 million project that creates and disseminates, in an accessible way, a domain of knowledge to assist Manitoba companies in raising their level of readiness to enter into trade, technology partnering, and export activities in the United States. This unique approach is designed to integrate more fully with the company's planning processes through pre-programming diagnostic services and optimize returns in terms of the success factors associated with global competitiveness through training and hands-on mentoring. Nine companies and 22 company executives have participated in the program to date. The program has built a large collection of learning assets and conducted more than 80 learning sessions including assessments, workshops, consultant-led training for market development and 132 downloads of online learning.

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## **The Competitive Intelligence Resource Centre Concept Validation (CIRC)**

SIBD supported an ICTAM led project this year to develop and validate the operating model for a CIRC. CIRC is proposed to provide briefing and research services, using various methods to collect data for continuous, subject specific online reports. The Centre would be a source for information about Manitoba's ICT sector, its composition within the Manitoba market, human capital development, business performance and competitiveness, and the sector's contribution to economic growth. Manitoba firms will be able to use this intelligence to inform their human resources, business development, investment or marketing strategies and, thus, increase their competitive advantages in local, national and international markets. The intent of CIRC is to be positioned as the best resource available to provide timely information on the Manitoba ICT sector. SIBD contributed \$15,000 towards this \$84,000 project to create the initial design for the centre, build the initial foundation of data and research and pilot its services and products. Outcomes of this project are expected in the 2010/11 period.

## **Manitoba Interactive Digital Media Fund (MIDMF)**

In 2009/10, \$500,000 was allocated to MIDMF. The objectives of MIDMF are: 1) to provide recoupable financial support to Manitoba companies for the development, production, and marketing of high quality, original, Interactive Digital Media products that are intended for the general public; 2) to raise the profile and presence of Manitoba's Interactive Digital Media creators in both domestic and international markets while providing opportunities for professional development; and, 3) to assist in the growth and development of a Manitoba Interactive Digital Media production and distribution industry that is competitive in international markets.

- **Product Assistance:**  
In the 2009/10 fiscal year, 1 application was approved for a total contribution of \$128,975.
- **Access to Markets:**  
In the 2009/10 fiscal year, 10 applications were approved for a total contribution of \$26,117.
- **Industry Support**  
In the 2009/10 fiscal year, 4 proposals were approved for a total contribution of \$225,315.

## **New Media Manitoba (NMM)**

NMM is a non-profit association of professionals that advocate and provide focused training, support and guidance to the new media business and development community. Comprised of over 650 members, NMM is a common ground for people seeking to make connections and collaborate on interactive digital projects. In 2009/10 New Media Manitoba received \$150,000 in support for work on the following initiatives:

- An interactive online directory of digital media companies and their skills;
- A video showcase of local new media companies;
- Promotional activities with local and international partners, and
- Support of the Manitoba Interactive Digital Media Fund and the Manitoba Interactive Digital Media Tax Credit

## **Manitoba Interactive Digital Media Tax Credit (MIDMTC)**

The MIDMTC was introduced in 2008/09 to stimulate investment in Manitoba's digital media industry and is a refundable tax credit for companies that develop and produce interactive digital media products in Manitoba. This is a 40% tax credit (maximum of \$500,000) to qualifying corporations for eligible Manitoba labour expenditures that are directly attributable to the development of an eligible interactive Digital Media Product. In 2009/10, two Tax Credit Certificates in the amount of \$59,724 and six Certificates of Eligibility were issued.

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Set to expire on December 31, 2010, the MIDMTC was extended to December 31, 2013 after consultation with the digital media industry. The following changes were also proposed, effective for certificates of eligibility and tax credit certificates issued after March 23, 2010:

- tax credit certificates can be issued on a taxation-year basis instead of at the end of a project;
- repaid or repayable government assistance will no longer reduce eligible labour costs; and
- where a government or public authority is the purchaser of an interactive digital media product, the amount paid by the purchaser and the amount of the Interactive Digital Media Tax Credit cannot exceed 100% of the project's costs.

### **ICT and Digital Media Trade and Export**

The Branch provided support for an ICTAM led business mission to Chicago in February of 2009. The objective of the mission was to provide participating companies with a range of technology and business partnering opportunities through one-on-one, pre-qualified meetings. Five companies participated in the matching process, working with ICTAM, the Canadian Consulate in Chicago and Chicago-based consultants to screen prospective partners, clients and investors. A number of opportunities were identified and activities continue on this front.

## **2. Increasing ICT and Digital Media Research and Technology Commercialization**

### **TRLabs**

Fiscal year 2009/10 represented the fourth year of the current 5 year, \$2.4 million funding agreement with TRLabs. SIBD continues to work actively with TRLabs to explore ways to increase the number of applied research and commercialization projects undertaken with local Manitoba companies. During 2009/10, TRLabs Winnipeg had 4 full partners, 2 industry affiliates, 23 industry associates and conducted 14 projects in eHealth and digital media. IEM co-hosted the annual TRLabs Community Dinner and provided support for the annual TRLabs ICT symposium on "Converged Digital Media". TRLabs is undertaking a major eHealth initiative across Western Canada with industry, academia, healthcare providers and TRLabs partners, and continues the implementation of the Collaborative Healthcare Team project which will attempt to improve healthcare delivery for residents in remote and northern communities in Manitoba. TRLabs is corporately developing a strategy for the creation of an inter-provincial Digital Media EcoSystem, which will facilitate enhanced business relationships between the smaller subject matter expert members and the larger Industry partners.

### **The University of Winnipeg / CISCO Partnership on Collaborative Technologies**

In 2009/10, the Province announced its commitment to provide a contribution of up to \$3.8 million in support of two University of Winnipeg (U of W) projects in the area of "Collaborative Technologies:"

- A \$2.0 million contribution under the Manitoba Research and Innovation Fund in support of a "Cisco Endowed Research Chair in Collaborative Technologies."
- A contribution of up to \$1.8M under the Canada Manitoba Economic Partnership Agreement for the implementation of a distributed network of "Cisco TelePresence" sites that will offer world class immersive teleconferencing capabilities to support distance education as well as the collaboration requirements of researchers, educators and students.

This investment will support not only the U of W, but the activities of a new research consortium called "UWin CREATE" (The University of Winnipeg Commercialization Research and Education Alliance for Technology and the Environment). The project will be focused on utilizing technology tools to reduce the carbon-footprint of educators, students and collaborators of all kinds, hence offering greater efficiencies while reducing environmental impact due to travel and capitalizing on the many technology capacities of Cisco. Primary partners in the consortium are U of W, Brandon University (BU) and the University College of the North (UCN). Additional private and public sector partners, both small and large, will provide an innovative technologies development backbone for environmental research outcomes.

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All of these activities will be enveloped into the work of the Cisco Research Chair at the University of Winnipeg by creating a built-in research project which examines the impact of such technology on collaboration and changes in the educational and work experience. The network will enable Manitoba students and researchers to have at their disposal a very high capacity, high-speed data and voice network along with leading edge immersive video conferencing suites that will enable them to take the lead in collaborative projects with colleagues throughout the world.

### **Financial Assistance Programs**

In concert with Manitoba Entrepreneurship, Training and Trade, SIBD continues to work with a number of technology-based companies to provide support for technological assessments and marketing evaluations for business expansion purposes. In 2009/10, eight ICT/Digital Media companies and organizations received support through the Business Development Fund, which includes the Technology Commercialization Program, the Feasibility Studies Program and Special Projects Fund.

### **3. Marketing Manitoba's ICT and Digital Media Sector and Attracting ICT and Interactive Digital Media Investment**

#### **Manitoba Digital Media Market Development/Investment Attraction**

Similar to the film/television industry, the scale and scope of Manitoba's local digital media industry is limited by available resources, such that outside work is an important factor in increasing the volume of activity and supporting infrastructure in the province. In 2009/10, SIBD continued its collaboration with a consortium of Manitoba stakeholders and private sector companies in the "Game on Manitoba" initiative. To develop these linkages SIBD participated with various Manitoba companies in the Game Developers Conference (GDC) in San Francisco (6 companies); The Montreal International Games Summit (6 companies) and the Agence nationale et internationale du Manitoba (ANIM) mission to Quebec City. A number of opportunities were identified and activities continue on this front. IEM also supported All Access: The Digital Incubator Conference, held in Winnipeg, January 28, 2010.

### **4. Ensuring a Skilled and Available ICT Labour Force**

In addition to its support of the MAP program, SIBD provided \$15,000 in support for an Aboriginal Liaison Officer (ALO) with ICTAM. The ALO's mandate is to act as liaison between ICTAM, industry, government representatives and the Aboriginal community to facilitate and promote the attraction, recruitment, training and retention of Aboriginal employees within the ICT sector. Paired with contributions from the departments of Aboriginal and Northern Affairs and Entrepreneurship, Training and Trade, staffing of this position is assisting to foster a knowledgeable and growing workforce for the ICT sector and ensuring that the Aboriginal community in Manitoba plays a meaningful role in the sector through employment.

Through this position, SIBD was able to support two innovative programs:

- The Aboriginal ICT Diploma Program at the University of Winnipeg is a new 52 week, fully-funded program that began in October 2009; the first of its kind in Canada. Students receive both technical and non-technical training. This program offers a university diploma, two industry certifications, and qualifications for up to 7 entry-level ICT jobs and up to 1 year of University Degree credits. Sixteen students were enrolled for the 2009/10 school year.
- The Aboriginal Youth ICT Challenge engages Aboriginal youth in ICT project work, raising awareness of the opportunities within the ICT industry and creating pathways for Aboriginal youth to follow toward a successful ICT career. The program offers technical and non-technical skill development, including business knowledge (sales and marketing). Students design and develop a website under the guidance of a number of professional instructors from the University of Winnipeg during 10 comprehensive workshops throughout the year. The 2009/10 school year saw the participation of 4 schools and 56 students.

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## **5. Enhancing Capacity of Manitoba Communities to Participate in the Knowledge Economy**

### **E-Index**

The Knowledge Enterprises Branch worked closely with government and community stakeholders to advance “E-Readiness” in Manitoba communities as defined by the assessment of community, organizational and individual capacity to fully participate in the knowledge based economy through the utilization of appropriate skills and infrastructure. This assessment is enabled by a made-in-Manitoba tool called the E-Index. The E-Index provides information on four elements; a community’s level of technological infrastructure, the population’s skill level, the utilization of technology as well as the community’s capacity to afford technology. A community’s capacity across these four elements can be directly correlated to their ability to achieve and maintain competitiveness as communities evolve from traditional to knowledge based economies.

In 2009/10, IEM and Manitoba Aboriginal and Northern Affairs became signatories to a Memorandum of Understanding (MOU) on E-Readiness with the Alberta’s Departments of Aboriginal Relations and Advanced Education & Technology. The MOU seeks to address the following objectives over the next three years;

- increase the number of “E-readiness-assessed” communities in rural and remote communities, including First Nations and Métis communities in Manitoba and First Nations, Métis and predominantly Aboriginal rural and remote communities in Alberta;
- facilitate enhancements to e-readiness tools that lead to increased value, access and affordability for communities, businesses and citizens;
- facilitate the specific sharing of e-readiness information, data and research learnings developed in one jurisdiction, with the other;
- collaborate with others on the benefits to Aboriginal and/or rural and remote communities as a result of their being assessed for “E-readiness”; and
- facilitate the use of assessment results to improve educational outcomes and economic development opportunities within the “E-readiness-assessed” Aboriginal and rural and remote communities.

### **Life Sciences**

The Life Sciences Branch worked with key stakeholders in 2009/10 on initiatives in the biomedical, health biotech, and agricultural biotech sectors that led to increased economic activity in the province.

The efforts of Life Sciences Branch in 2009/10 were primarily focused on four activities:

1. Working With Key Stakeholders on Economic Development Initiatives;
2. Supporting Research;
3. Increasing Industry Awareness of the Life Sciences Sector Internally and Externally; and
4. Establishing Formalized Linkages.

#### **1. Working With Key Stakeholders on Economic Development Initiatives**

##### **Mid-Continent Knowledge Corridor**

The purpose of the Mid-Continent Knowledge Corridor is to capitalize on established relationships through the North America Super Corridor Coalition (NASCO), develop a network of researchers, industry representatives, and government officials that will work collaboratively to strengthen the life sciences cluster along the central corridor of North America. It is anticipated that this knowledge corridor will also attract investment and research partners from the east and west coasts.

The Life Sciences Branch is working cooperatively with Economic Development Winnipeg and partners in the USA and Mexico to develop a preventative food product that addresses the diabetes burden in all three jurisdictions.

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In addition, the Life Sciences Branch is actively working with partners in Minnesota, Wisconsin and North Dakota to develop linkages between the jurisdictions. Research institutes and industry partners in the areas of medical devices, agri-health products, industrial biotechnology and bioenergy have been actively engaged.

### **Manitoba Agri-Health Research Network (MAHRN)**

MAHRN has been established as a portal to the Province's nationally and internationally recognized centres involved in the commercialization of agricultural products for improved health. Manitoba's agri-health sector is home to three leading edge facilities that work closely with industry to research and develop functional foods and nutraceuticals: Canadian Centre for Agri-food Research in Health and Medicine, Richardson Centre for Functional Foods and Nutraceuticals, and the Food Development Centre. MAHRN has been integral in the development of key industry and research linkages with partners in Chile, France, Australia and Minnesota.

### **Life Science Association of Manitoba (LSAM)**

The LSAM represents Manitoba's growing life sciences sector. The Association's objectives are to coordinate activities to address member needs and concerns and to inform members of changes in the global biotech industry. The current LSAM mandate focuses on four pillars:

- 1) Building human resource capacity;
- 2) Serving as sector advocate;
- 3) Building the local life science community; and
- 4) Promoting economic development.

LSAM is working closely with IEM staff and key Manitoba stakeholders on sector specific outreach and coordination activities. To this extent, SIBD provided LSAM with \$50,000 in support to assist in the development of a sector specific operational plan.

## **2. Supporting Research**

The Life Sciences Branch was instrumental in securing funding for the Composites Innovation Centre (CIC) from Agriculture and Agri-Food Canada in continued support for a National Biofibres Initiative for the development and commercialization of bio-materials for advanced composite applications. The project will investigate how naturally occurring fibres in plants, such as hemp and flax, can be turned into reinforcement materials that replace the man made glass and carbon fibres in products like parts for buses, recreational vehicles, sporting goods and aircraft. The work being undertaken within this initiative is highly relevant to the emergence of Manitoba's and Canada's bio-economy and will lead to the commercialization of a range of new industrial products.

In addition, there has been support for international collaborative research projects through the Science and Technology International Collaboration (STIC) fund.

## **3. Increasing Industry Awareness of the Life Sciences Sector Internally and Externally**

### **AusBiotech 2009 Conference**

The annual AusBiotech Conference and Exhibition was held in Melbourne, Victoria, Australia in October 2009. The theme for the 2009 conference was "Asia Pacific - Region of Opportunities". Life Sciences Branch staff and stakeholders from Manitoba's life sciences community attended the conference and participated in partnering meetings to showcase and promote Manitoba's life sciences sector and to identify opportunities to increase collaboration between the two jurisdictions. Approximately 1,450 participants from Australia and the international community were in attendance. Manitoba was once again well represented at the event with twelve industry stakeholders participating. In conjunction with AusBiotech, meetings were held with government and life science industry representatives in Melbourne, Victoria, Brisbane, Queensland, and Adelaide, South Australia. Opportunities for inward investment, partnerships and research collaborations were identified at these meetings. A key outcome of the meetings with the Queensland government was the agreement to jointly develop a life science and industrial biotechnology focused memorandum of understanding. This MOU will be signed at the 2010 BIO International Conference to be held in Chicago.



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## **BIO 2009 International Biotechnology Convention and Exhibition**

Each year, the Biotechnology Industry Organization (BIO) hosts the world's premier biotechnology conference, bringing together scientists, entrepreneurs and innovators from around the world. Held in Atlanta, Georgia, BIO 2009 brought together nearly 15,000 industry leaders to discuss and share the latest developments and most pressing issues facing the biotech industry.

In 2009/10 SIBD led a Manitoba life sciences industry delegation to the BIO Convention and promoted the Province's life science capabilities via a Manitoba pavilion on the Exhibit Floor. Within the Manitoba pavilion, organizations showcased included: Apotex Fermentation Inc.; Cangene Corporation; Composites Innovation Centre; International Centre for Infectious Diseases; Industrial Technology Centre; Life Sciences Association of Manitoba; Manitoba Agri-Health Research Network; and Red River College.

In total, approximately 40 Manitobans participated in BIO 2009. Premier Doer also attended to support the Manitoba delegates and showcase the province's life science industry capabilities at a number of key events—including a joint Manitoba-Minnesota-Victoria reception and a Manitoba BIO Breakfast.

### **Life Science Alley (LSA) Conference 2009**

The LSA Conference & Exhibition is an annual event hosted by LSA Minnesota's life sciences industry association. This event was held on December 9, 2009 in Minneapolis, MN and attracted approximately 1,600 delegates from 30 states and a dozen countries. The Province of Manitoba was one of two premiere sponsors of the conference. Manitoba's sponsorship of this event builds upon the ongoing commitment by Manitoba and Minnesota to establish a life sciences corridor between the two jurisdictions, as articulated within a 2004 MOU for biosciences and life sciences collaboration.

In addition to Manitoba's sponsorship of the LSA Conference, a record delegation of 40 Manitobans representing 13 companies, 3 research institutes and 2 industry organizations attended the conference and participated in business partnering meetings.

Through participation at the conference, Manitoba continued to develop strategic linkages with partners in Minnesota and gained visibility as a leader in the mid continent knowledge corridor.

## **4. Establishing Formalized Linkages**

### **Memorandum of Understanding (MOU) with Wisconsin**

In October 2009, Premier Doer and Governor Doyle signed a MOU to advance cooperation between the Province of Manitoba and State of Wisconsin.

The MOU served, in part, to formalize a burgeoning relationship between the jurisdictions in the areas of renewable energy and life sciences/biotech. The MOU itself established five key industry sectors for ongoing cooperation:

1. Biosciences and Life Sciences;
2. Agricultural and Human Health Research and Development;
3. Renewable Energy and Environmental Industries and Research;
4. Water Treatment and Management; and
5. Transportation.

IEM is currently leading the development of cooperative initiatives with Wisconsin under the MOU agreement—including a series of regional climate workshops and a joint research project in medical imaging.

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## **Pharmaceutical Liaison Committee (PLC)**

In June 2006, the PLC co-chaired by the departments of IEM - Life Sciences Branch and Health, was established to provide a central point of contact between government and the pharmaceutical and biotechnology industries. The Committee provides a discussion forum between industry and key government departments: Innovation, Energy and Mines, Manitoba Health (MH), and the Community Economic Development Committee of Cabinet (CEDC). The Committee also facilitates internal discussion, which ensures consistent application of decisions within the life sciences sectors in Manitoba.

IEM, CEDC and MH's active cooperation in the work of this committee is viewed very positively by industry members as it represents a unique forum for open discussion of issues and investment opportunities as well as the planning of collaborative activities between the province and the private sector.

## **Broadband Initiative**

Since its creation in September 2001, the Broadband Initiative has been active in promoting partnerships with community based organizations and the private sector to provide broadband or high-speed Internet access to communities where that service did not exist. The Province's vision is to utilize high speed Internet connectivity to secure economic and social benefits available through the use of information and communications technologies for the benefit of Manitobans.

The Initiative has supported activities undertaken by Industry Canada's Broadband for Rural and Northern Development (BRAND) Program. This \$150 million National initiative announced in September 2002, has provided 118 Manitoba communities with a total of \$6.6 million in matching funds to enable the creation of broadband networks throughout the province.

In July of 2004 the province's new Broadband Strategy entitled "Connecting Manitobans" was approved. The strategy's main objective is to ensure that all communities in Manitoba have access to broadband or high speed network services by 2010. In order to help attain this goal, the Municipal Rural Infrastructure Fund (MRIF) has, since June 2005, allocated \$7.5 million to community based telecommunications infrastructure construction, thereby allowing a further 67 Manitoba communities to benefit from accessing Broadband networks.

In 2009/10 the Initiative worked directly with community champions to help develop viable community-based Internet Service Providers (ISPs) in aboriginal communities. The focus was on four associated communities including Lynn Lake and Leaf Rapids. Also in 2009/10, the Manitoba Network Task Force and the Initiative worked with ISPs in Manitoba to secure funding from the Federal government's \$225 million Infrastructure Fund; funding to support network infrastructure in unserved areas of Canada, and leverage funding from the First Nations Infrastructure Fund (FNIF) towards assisting in the build of "last mile" infrastructure in unserved First Nations communities in Canada.

The Community Information Enhancement Project (CIEP) is an initiative undertaken by IEM. It was originally developed in 2009 as a "Pilot Project" in order to enable 30 communities in northern Manitoba as a technology enhancement and community education initiative.

## **Community Connections**

On March 7, 2000 the Governments of Canada and Manitoba announced a cost-sharing Memorandum of Agreement (MOA) of up to \$11.1 million to increase the number of public Internet access sites in Manitoba from 146 to 586. The MOA with Industry Canada was extended providing a further \$2.48 million for the 2002/03 and 2003/04 fiscal years. In 2008/09 and 2009/10 there was \$583,784 in funding support provided to Community Connections. These funds were used to support the existing access sites, further develop the Community Resource Networks (CRNs) and the content of their websites, provide Help Desk support, and support the Canada Access Program Youth Initiative (CAPYI). In 2009/10 Community Connections continued as part of the programs delivered by MERLIN. MERLIN contracts with the Manitoba E-Association for management of the Community Connections/MERLIN program.

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In Winnipeg, 201 sites have been established. Rural Manitoba has 338 sites. Of note, 61 sites were established in Northern Manitoba, and approximately 50 access sites in bilingual Manitoba municipalities. Sites were established in a variety of community organizations. The capacity of all public libraries in Manitoba has been significantly increased under the Community Connections program. Funding support available to the access sites include funds for connectivity, assistive technology and/or upgrades to equipment or software. In 2009/10, 309 sites requested funds. It is estimated that about 61 sites continue to provide services without requesting funding. Community access sites are organized into Community Resource Networks (CRN's) that jointly develop and host local websites. Approximately 25 CRN's are developed.

Stemming from the work done through the Community Connections Initiative, the youth development team from Brandon University developed into a small Manitoba software development company Function Four, Inc. This group, with the support of Community Connections and Industry Canada, developed the CIMNet applications used for the community websites and the E-Index. The websites referenced above as well as 83 other community websites are managed by the Manitoba E-Association for Community Connections/MERLIN.

With support from Community Connections, technical and application support was originally provided to access sites by a Help Desk established by the Swan Valley Resource Network. This developed into a small Manitoba company (83 North, Inc.). A similar Francophone Help Desk was developed in partnership with Réseau de Ressources Communautaires Franco-Manitobain. The Help Desk was expanded in 2003/04 to provide service to Saskatchewan, Alberta, Nunavut and the North West Territories. Toward the end of 2003/04 the two separate services merged to form a not-for-profit organization known as HelpCan. In 2004/05 Help Desk services were migrated to the Manitoba E-Association for delivery in Manitoba and some locations in Saskatchewan, Alberta, Nunavut and the North West Territories. This continued from 2005 to 2010.

The CAP Youth Employment Initiative (CAPYI) annually employs approximately 50 to 60 Youth (age 16 to age 30). Youth employees are provided with approximately \$500,000 in funding from various partners including; Community Connections, Industry Canada, MB Education, and Microsoft. Youth support the operation of access sites and the CRN websites. Toward the end of 2003/04, the Manitoba E-Association, a not-for-profit organization, was established to serve as the delivery agent for the CAPYI program. In 2004/05 this organization expanded to deliver Help Desk services. Through 2005 to 2010 the Manitoba E-Association, in addition to delivering Help Desk services and CAPYI, also coordinated communication for the Canada Access Program in the Prairie Northern Region (PNR), and published a newsletter. In previous years it also delivered project management services for the Parkland Region Wireless Broadband Rollout and the Central Region Wireless Broadband Rollout as well as offering Wireless Technology Workshops and a community learning network in Canupawakpa First Nations community. In 2009/10 the Manitoba E-Association continued its project management role of the Community Connections/MERLIN program. A new Small Business Internship Program (SBIP) was also delivered by the Manitoba E-Association in 2009/10.

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**18-3(a) Science, Innovation and Business Development**

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<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2009/10 \$</b>	<b>FTE</b>	<b>Estimate 2009/10 \$</b>	<b>Variance Over (Under)</b>	<b>Expl. No.</b>
Total Salaries & Employee Benefits	1,571	19.00	1,657	(86)	
Total Other Expenditures	605		606	(1)	
Total Manitoba Research and Innovation Fund	12,600		12,600	-	
Total Manitoba Centres of Excellence Fund	720		720	-	
Less: Recoverable from Urban Development Initiatives	(750)		(750)	-	
<b>Total Expenditures</b>	<b>14,746</b>	<b>19.00</b>	<b>14,833</b>	<b>(87)</b>	

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## MANITOBA HEALTH RESEARCH COUNCIL

The Manitoba Health Research Council (MHRC) provides funding for health research initiatives. The Manitoba Health Research Council tables its annual report under separate cover with the Manitoba Legislature.

### 18-3(b) Manitoba Health Research Council

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Expenditures by Sub-Appropriation	Actual 2009/10 \$	Estimate 2009/10 \$	Variance Over (Under)	Expl. No.
Total Expenditures	6,003	6,003	-	

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## **INDUSTRIAL TECHNOLOGY CENTRE**

The Industrial Technology Centre (ITC) is a special operating agency of the Department of Innovation, Energy and Mines. The Department supports ITC's contribution to economic development activities in Manitoba via an Economic Development Contribution Agreement (a performance contract). ITC provides a wide range of technical services in support of technology based economic development in Manitoba. ITC tables its annual report under separate cover with the Manitoba Legislature.

### **18-3(c) Industrial Technology Centre**

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<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2009/10 \$</b>	<b>Estimate 2009/10 \$</b>	<b>Variance Over (Under)</b>	<b>Expl. No.</b>
<b>Total Expenditures</b>	<b>700</b>	<b>700</b>	<b>-</b>	

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## **MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS**

The Manitoba Education, Research and Learning Information Networks (MERLIN), is a special operating agency of the Department of Innovation, Energy and Mines. MERLIN tables its annual report under separate cover with the Manitoba Legislature.

### **18-3(d) Manitoba Education, Research and Learning Information Networks (MERLIN)**

<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2009/10 \$</b>	<b>Estimate 2009/10 \$</b>	<b>Variance Over (Under)</b>	<b>Expl. No.</b>
<b>Total Expenditures</b>	<b>396</b>	<b>396</b>	<b>-</b>	

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# **MANITOBA INFORMATION AND COMMUNICATION TECHNOLOGIES**

## **ICT SERVICES MANITOBA**

### **OBJECTIVES**

Ensure the best possible use of the province's existing information and communication technologies (ICT) resources, systems, platforms, applications, and skills, while finding new ways to meet service challenges, plan for future needs, and respond to economic opportunities.

### **ACTIVITIES/RESULTS**

- Develop and continually improve ICT strategic plans, policies, and measurement protocols.
- Work with stakeholders to optimize and align the ICT investment portfolio.
- Research and design new ICT products and services to help build new effective solutions.
- Establish flexible and adaptable information, application and technology foundations.
- Establish and monitor security standards and architecture.
- Provide ICT procurement and contract negotiation services to government programs.
- Exercise comptrollership responsibilities and provide overall financial leadership for ICT.
- Coordinate and manage the use of ICT resources across the ICT program portfolio.
- Proactively manage ICT contracts and license agreements.
- Plan, recruit, allocate, evaluate, train and develop resources for ICT work.
- Manage the process of implementing major changes in ICT to reduce the risks and costs of change, and to optimize its benefits.
- Manage the relationship between ICT and clients to ensure needs are addressed.
- Provide client support in the day-to-day delivery of ICT services.
- Proactively monitor service and process outcomes in relation to service contract conditions and performance goals.
- Improve the efficiency and effectiveness of project delivery through application of standard project management practices.
- Develop, deploy and support critical ICT infrastructure services.
- Develop and integrate applications to create functional systems responsive to the requirements of clients' program delivery needs.
- Maintain and operating existing applications that support the delivery of government program services.

ICT SERVICES MANITOBA reports the following results in 2009/10:

- Alignment of ICT investments with Government's overall strategic direction is on going.
- Provided an ongoing government-wide information security awareness program. Continued to work with the Office of the Auditor General to improve practices and policies around systems which support Public Accounts.
- Provided Wide Area Network services (i.e. Provincial Data Network) to the health sector. Services are being augmented as necessary to support new health information technology initiatives.



- Implemented numerous technology projects with client government departments including:
  - Online Registration for the Mining Convention
  - Online system to provide advice on available services (Service Link Project) with Family Services and Housing
  - Carrier Profile system with Manitoba Infrastructure and Transportation
  - Premise ID system for tracking animals with Manitoba Agriculture Food and Rural Initiatives
  - Digital Audio Court Reporting system with the Department of Justice
  - Online forms with the Department of Labour
  - Job-Seeker component of the Job Referral System with Employment Manitoba
  - Job Opportunities website with the Civil Service Commission to provide a comprehensive list of current competitions that can be sorted by region and by type of position.
  - Google Maps solutions for delivering interactive highway condition maps to the public
- Provided on going problem resolution and system enhancement activities for all managed business applications.
- Continued with the government wide initiative to consolidate servers within three central data centres. This will allow for greater operating efficiencies, including cost efficiencies.

#### **18-4(a) Manitoba Information and Communication Technologies**

Expenditures by Sub-Appropriation	Actual 2009/10	Estimate 2009/10		Variance Over (Under)	Expl. No.
	\$	FTE	\$		
Total Salaries & Employee Benefits	18,311	194.72	17,724	587	
Total Other Expenditures	70,867		68,326	2,541	1
<b>Total Expenditures</b>	<b>89,178</b>	<b>194.72</b>	<b>86,050</b>	<b>3,128</b>	

1. Increase of desktop seats and all associated costs.

#### **18-4(b) ICT Services Manitoba Recovery**

Expenditures by Sub-Appropriation	Actual 2009/10	Estimate 2009/10		Variance Over (Under)	Expl. No.
	\$	FTE	\$		
Total Recoverable from other Appropriations	(59,696)		(55,583)	(4,113)	1
<b>Total Expenditures</b>	<b>(59,696)</b>		<b>(55,583)</b>	<b>(4,113)</b>	

1. Increase in recovery due to increase in desktop seats and all associated costs.

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## **LEGISLATIVE BUILDING INFORMATION SYSTEMS**

### **OBJECTIVES**

To provide highly responsive ICT support services that address the business requirements of clients in the Legislative Building; Government, Legislative Assembly and Caucuses, by deploying and maintaining reliable systems in a secure technological environment.

### **ACTIVITIES/RESULTS**

Activities undertaken in 2009/10:

- Direct and plan Information Technology initiatives in the Legislative Building.
- Develop and implement strong security strategies to protect electronic information.
- Provide desktop management services including Help Desk support, requirements analysis, purchasing and asset management.
- Implement and manage all computing services such as e-mail, document storage, printing, remote access.
- Manage the communications infrastructure for the building network, access to the Internet and access to the Government-wide network.
- Analyse, develop, implement and support business applications.
- Provide consulting and project management services on outsource initiatives.

Legislative Building Information Systems reports the following results in 2009/10:

- Provide Caucus groups with consulting and technical support. Completed Active Directory and email migration.
- Provided Legislative Assembly with consulting, technical, and project management services in support of various specialty applications. Upgraded Media Streaming services for Hansard.
- Implemented a virtual server solution, thereby consolidating servers and minimizing associated hardware costs.
- Implemented Intranet search service for searching Hansard and news releases.
- Implemented new service for deploying standard desktop images.
- Provided Treasury Division with consulting, technical, and project management services in support of various specialty applications. Currently in process of migrating to a new web-based service, Treasura.
- Implemented upgrades and enhancements to the corporate web-based Activity & Issues Management System (AIMS); ongoing performance tuning of the application and database.
- Consolidated custom applications onto a shared relational database platform.
- Created/enhancements to various custom applications, including Witness application; Health Intake System, Case Management System and the Untendered Contracts application.
- Upgraded patch management system allowing for automation of Office Suite on desktops.
- Migration of desktops to newer hardware with the most current operating system and office automation software as part of an on-going refresh cycle;
- Completed fourth year of a four year server refresh cycle with emphasis on consolidation of services.
- Upgraded all Antivirus\Anti-Spam software at desktop, server and gateway levels;
- Completed fourth year of a five year project to upgrade network infrastructure. This project is designed to upgrade the building communications infrastructure to increase security and accommodate growing bandwidth needs;
- Continued re-engineering and migration of custom applications to thin client technology;
- Provided setup and support for Internet Café during conference hosted by Legislative Assembly.
- Completion of Active Directory Trust with the Managed Environment allowing for single sign on for SharePoint application.
- Integration of central event log consolidation.

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**18-4(c) Legislative Building Information Systems**

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<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2009/10 \$</b>	<b>Estimate 2009/10 FTE</b>	<b>\$</b>	<b>Variance Over (Under)</b>	<b>Expl. No.</b>
Total Salaries & Employee Benefits	1,017	12.00	1,010	7	
Total Other Expenditures	189		211	(22)	
<b>Total Expenditures</b>	<b>1,206</b>	<b>12.00</b>	<b>1,221</b>	<b>(15)</b>	

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## **SERVICE TRANSFORMATION MANITOBA**

Service Transformation Manitoba provides leadership for service delivery activities, operational transformation activities and the SAP implementation across the Government of Manitoba.

### **OBJECTIVES:**

- To improve service delivery by modernizing government through achieving simplicity, developing partnerships, engaging technology, organizational innovation, streamlining and improving business interactions, and performance reporting.
- To provide leadership for improvement of service quality, citizen-centered service delivery and single window initiatives.
- To maximize the potential of the SAP enterprise resource planning tool.
- To facilitate operational transformation through operational reviews, change management, user transition, development of communication plans, training support and end-user role definition and readiness.
- To serve as a link to inter-jurisdictional committees and forums where information and knowledge on service delivery and operational transformation are exchanged.
- To provide support for Committees driving service delivery and operational transformation.

### **ACTIVITIES/RESULTS:**

Activities undertaken in 2009/10

- Provided a leadership and policy role in influencing direction of the new Corporate ICT organization, government-wide technology and innovation efforts, and service improvement and transformation.
- Developed a strategy for the ongoing and expanded deployment of online services in Manitoba.
- Encouraged innovation from provincial civil servants from all levels of government with the intent of costs savings and/or improving service for Manitobans.
- Promoted and implemented Service Quality Partners and the Manitoba Service Excellence Awards.
- Implemented the Business Transformation Enablement Program with interested programs to develop improved methodologies, solutions and understanding for transformation initiatives.
- Implemented an Enterprise Resource Planning (ERP) Program Management Office to:
  - Maximize Manitoba's SAP investment by leveraging the implementation of all opportunities where SAP is the most appropriate solution to a business need; and
  - Focus Manitoba's activities on service transformation through a solid business case approach that maximizes value and service delivery goals.
- Supported the Single Window Service to Business Initiative that is being led by the Department of Entrepreneurship, Training and Trade.
- Conducted employee and departmental surveys for various stakeholders.

Service Transformation Manitoba reports the following results in 2009/10:

- Supported Service Quality Partners through various activities such as the Manitoba Service Excellence Awards (MSEA), networking and learning opportunities through the Brown Bag Lunch Program and through learning seminars related to service quality.
- Conducted 55 surveys for departments.
- Continued to support Online Services to Citizens' initiative and identified new online services to be deployed.
- In partnership with Departments, launched the following Online Services:
  - Residents Portal
  - Pharmacare Look-up
  - eCommerce
  - Smart Search Tool (Business Portal)
  - e-Forms – the first online form which can be submitted electronically by the public was deployed (Work Recruitment and Protection Act form)
- As part of the Online Services to Residents' initiative, participated with the launch of the Career Development Portal
- Promoted and utilized the Organizational Change Management Program to assist departments with service transformation activities.
- Using the tools and methods of the Business Transformation Enablement Program, worked with Departments on transformation initiatives.
- Continued to develop tools, guidelines and reusable methodologies and practices relating to managing electronic information, and to provide advice and guidance to government departments.
- Continued to provide support to and participate in the Information Management Round Table in guiding the development and implementation of the Information Management Framework.
- Participated in inter-jurisdictional committee work, including Pan-Canadian Identity Management and Authentication (IdM&A) framework development, through participation on the IdM&A working groups and the Identity Management Steering Committee (IMSC).
- Initiated and supported a Manitoba working group on IdM&A relating to identity into the current and future technology projects.
- Initiated and supported a variety of SAP related projects through the Enterprise Resource Planning (ERP) Program Management Office.
- Implemented the Learning Policy and supporting tool through departmental Learning Plans.

**18-4(d) Service Transformation Manitoba**

Expenditures by Sub-Appropriation	Actual 2009/10 \$	Estimate 2009/10 FTE	Estimate 2009/10 \$	Variance Over (Under)	Expl. No.
Total Salaries & Employee Benefits	1,362	13.00	1,165	197	
Total Other Expenditures	508		529	(21)	
<b>Total Expenditures</b>	<b>1,870</b>	<b>13.00</b>	<b>1,694</b>	<b>176</b>	

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# MINERAL RESOURCES

## MANITOBA GEOLOGICAL SURVEY

### OBJECTIVES

The **Manitoba Geological Survey (MGS)** provides authoritative geoscience information to support and facilitate mineral and petroleum exploration in the province, and also conducts a broad range of geoscience activities that address land-use and environmental issues facing Manitobans.

The **Minerals Policy and Business Development** section of MGS is responsible for monitoring industry and commodity information used in formulating Manitoba's minerals policies, promoting mining and exploration investment opportunities, administration of Manitoba's mineral exploration incentive programs and organizing and staging of the annual Mining and Minerals Convention. The section also helps facilitate the provision of community adjustment services to communities facing mine closure. To achieve these goals, the Minerals Policy and Business Development section works closely with the Manitoba Geological Survey and the Mines Branch of Innovation, Energy and Mines, as well as all affected government departments.

### ACTIVITIES/RESULTS

#### *GEOSCIENCE PROGRAM*

In 2009, the MGS entered a period of transition as multiyear collaborative programming with the Geological Survey of Canada (GSC) began winding down at Flin Flon, while ramping up in the Far North and Hudson Bay Basin.

The MGS continued multiyear collaborative projects in the Paleoproterozoic Flin Flon Belt, the Northeast Kiseynew subdomain and Southern Indian Lake region, as part of the Federal-Provincial Flin Flon Targeted Geoscience Initiative (TGI-3; 2005–2010). Work continued in the Snow Lake area and the Thompson Nickel Belt (TNB), building on work started in 2008. New in 2009 was a major field effort in the Great Island area, west of Churchill; this was supported in part by the Geological Survey of Canada (GSC) Geo-mapping for Energy and Minerals program (GEM; 2008–2013).

Phanerozoic investigations focused on evaluation of shallow unconventional Cretaceous shale gas potential in southwestern Manitoba, three-dimensional geological modelling in southern Manitoba and a new GEM project in the Hudson Bay Basin.

The program is reviewed annually by the Mineral Exploration Liaison Committee (MELC), composed of members of the Mining Association of Manitoba, the Manitoba Prospectors and Developers Association and the Manitoba-Saskatchewan Prospectors and Developers Association, as well as representatives from the universities of Manitoba and Brandon, and the Geological Survey of Canada.

Collaborative programs with the Geological Survey of Canada in 2009/10 included:

1. The **Targeted Geoscience Initiative (TGI)**, announced in the February 2005 federal budget, is the third in a series of such initiatives since 2000. Targeted Geoscience Initiative 3 (TGI-3) started April 1, 2005 and ended March 31, 2010, provided a vehicle to partner with the GSC on priority projects aimed at improving the economic sustainability of mining towns in north-central Manitoba. The TGI-3 Flin Flon project was an integrated, multidisciplinary geoscience study to aid in the discovery of new reserves of base metals in the region encompassed by Flin Flon–Creighton, Thompson, Leaf Rapids, Lynn Lake and La Ronge. The project has been developed through joint Provincial-Federal-Industry consultation and is delivered as a fully integrated partnership that includes the minerals industry; researchers from Canadian and American universities; and geologists from the MGS, the Saskatchewan Geological Survey and the GSC.

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2. The **Geo-mapping for Energy and Minerals (GEM)** initiative announced by the Government of Canada in 2008 is a five-year program designed to provide the geoscience information necessary to guide investment decisions leading to the discovery and development of new energy and mineral resources. The GEM-Minerals initiative in Manitoba is represented mainly by a 2008 GSC-funded airborne radiometric and magnetic survey in the Great Island area; these data were used to support the subsequent geological mapping at Great Island by the MGS in 2009. A GEM-Energy project, currently in beginning stages, is focused on the Phanerozoic stratigraphy of the Hudson Bay and Foxe basins.

**Activities and results for 2009/10 are listed below as they pertain to MGS Program Objectives.**

### **1. Increasing Manitoba's minerals geoscience knowledge base**

A new 1:10,000 scale bedrock geological map for Flin Flon has been completed, one of the many significant outcomes from the Flin Flon TGI-3 project involving participants from the MGS, Saskatchewan Geological Survey, GSC, Laurentian University and Hudson Bay Exploration and Development Company Limited. This work has resulted in the recognition of the mine stratigraphy well beyond the immediate mine surroundings and has identified potentially prospective ground for exploration.

As part of TGI-3, the MGS has initiated a new mapping project in the sub-Phanerozoic portion of the Flin Flon Belt. The main objectives are to produce a set of revised geological maps and better define the various domains using new geophysical, isotopic, geochronological and geochemical data. Increasing our understanding of the setting of the various known deposits in the covered part of the belt will help in developing and tailoring exploration models in these highly prospective rocks.

Research partners from universities conducted detailed mapping of the rocks that structurally overlie the host rocks of the Schist Lake and Mandy, and detailed underground mapping, surface mapping and core logging of the footwall to hangingwall host rocks of the Trout Lake deposit.

Geological investigation of volcanic and volcanoclastic rocks east of the town of Snow Lake was conducted during the summer of 2009 to complement studies begun in 2008 and to expand upon the existing mapping. Establishing the geometry of the various lithological units will help to constrain gold exploration models.

The MGS initiated a program of remapping parts of the Northeast Kisseynew subdomain following the GSC's discovery of Ospwagan-type supracrustal rocks within the Kisseynew Domain at Wuskwatim Lake. In 2009, the MGS completed work in the Notigi-Wapisu lakes area, located along the north flank of the Kisseynew Domain. This work was combined with stereographic analysis and a down-plunge projection technique to decipher the Notigi Lake structure. Understanding the three-dimensional geometry of these inliers may aid exploration in the area, since the Ospwagan-type packages in the Kisseynew have, like the Ospwagan Group in the TNB, significant potential to host nickel deposits.

New mapping was begun in 2008 in the Southern Indian Lake region as part of the Flin Flon TGI-3 project; this work was completed in 2009. The purpose of the present mapping, supported by new aeromagnetic coverage funded by the GSC under TGI-3, is to re-examine the bedrock geology with particular emphasis on documenting the nature, age, tectonic affinity and mineral potential.

Remapping the bedrock geology in the Paint Lake area was initiated in 2008 and continued in 2009. This work is being conducted with the purpose of improving the understanding of the Archean basement to the TNB, and has identified a package of potentially Archean metasedimentary rocks that have similarities to the Ospwagan Group. This observation presents an additional complicating factor in an area already made challenging for mineral exploration by the intense deformation and high metamorphic grade.

A swarm of subparallel, steeply dipping carbonate dikes is exposed on numerous small islands in the central part of Paint Lake. The dikes are interpreted as calcite carbonatite of postorogenic affinity and point to the potential for additional magmatic and hydrothermal deposit types in the region. Carbonatites and related rocks are important sources of Nb, Fe, P and rare earth elements.

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The MGS's three-year study in northernmost Manitoba (Far North Geomapping Initiative) is being undertaken in conjunction with the GSC GEM program. The Great Island area was chosen for study because it provides key exposures of metasedimentary cover successions, includes the only known exposures of metavolcanic rocks in Manitoba's far north, and contains several important mineral occurrences. This area is therefore considered to be key to resolving several fundamental questions pertaining to the Precambrian geology and mineral potential of northern Manitoba.

The MGS initiated collaboration with the University of Waterloo to investigate the surficial geology in northern Manitoba as part of the Far North Geomapping Initiative. Preliminary results from a two-week reconnaissance survey in 2009 provide new constraints to drift exploration in this area, applicable to exploration for a variety of commodity types, including diamonds, precious metals and gold. The outcomes of these studies are geared toward providing mineral exploration geologists with an up-to-date surficial geology knowledge base and the tools to more accurately locate exploration targets.

The digital mineral deposits and occurrence database for Manitoba has been available on the Web in MGS GIS Map Gallery site since November 2008. The database summarizes all of the information contained in the reports of the Mineral Deposit Series. Work is continuing on the second phase of data entry, the incorporation of recently released nonconfidential work in assessment files. The process of adding both new occurrences and updating existing occurrences with files that become nonconfidential will be a continuing process.

## **2. Increasing Manitoba's hydrocarbon geoscience knowledge base**

The hydrocarbon potential of the Hudson Bay and Foxe basins is being studied as part of the GSC's GEM-Energy program. A better understanding and a modern synthesis of the geoscience and hydrocarbon systems of these basins aims to encourage industry to consider this region for future hydrocarbon exploration. Although the offshore Hudson Bay Basin is outside Manitoba's jurisdiction, the only deepwater port in these northern waters is located in Churchill. Any exploration activities and resulting hydrocarbon production, development and related infrastructure would provide significant economic growth and stimulus for northern Manitoba.

The goal of the shallow unconventional shale gas project is to summarize the shallow shale gas prospects for Manitoba, characterize the gas, define the area of gas occurrence, and identify intervals with prospective formations with the greatest potential to contain gas. Shallow shale gas occurrences have been recorded in Manitoba for more than a century, but there are limited geoscientific data that would assist in understanding the resource potential. Laboratory results from sampling conducted in 2008 are encouraging. The combination of shale with thick siltstone and sandstone beds, documented gas shows, favourable organic geochemistry and high quartz fractions within the Boyne Member of the Carlile Formation indicate that Manitoba has the right geological conditions for the generation of unconventional shallow gas of biogenic origin.

Water and gas chemistry of the Cretaceous shale aquifers and gas reservoirs of the Pembina Hills area in southwestern Manitoba were analyzed; results indicate that accumulations of biogenic natural gas are present in this area. Stratigraphic extrapolations of the water- and gas-well data suggest that the Assiniboine Member of the Favel Formation and the Boyne Member of the Carlile Formation are the horizons with known gas accumulations.

The Mobile Metal Ion (MMI®) surficial geochemical technology was evaluated as an exploration tool in the search for unconventional shallow shale gas reservoirs. An orientation survey was conducted to assess the potential for partial extractable geochemical signatures associated with a shallow gas vent site near Manitou. Results demonstrated that multiple diagnostic responses for certain elements are present in the soil profile. Application of this technology opens up shallow gas exploration opportunities in southwestern Manitoba.



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A re-evaluation of Cretaceous stratigraphic nomenclature in Manitoba has evolved from the evaluation of shallow gas potential in Manitoba. Correlation of Cretaceous formations, members and beds to equivalent units in other provinces and states in North America has resulted in numerous changes to Manitoba's stratigraphic terminology through time. Understanding the evolution of these changes provides exploration opportunities for potential natural gas resources in Manitoba. Understanding the currently accepted stratigraphic framework is crucial in the search for new natural gas resources.

### **3. Promoting effective land use and resource management**

The MGS participated in the Protected Areas Mining Sector Consultation, reviewing protected areas proposals currently in consideration by government.

### **4. Evaluation of environmental impacts and geohazards**

University of Manitoba researchers continued with a program investigating the revegetation of mine tailings. The mine tailings deposited during operation of the Gunnar gold mine have remained largely nonvegetated since the mine was closed 67 years ago. Based on a modest dollar value for carbon storage, the ability of this site to hold on the order of 3,000 tonnes of carbon represents a significant economic potential.

### **5. Development of products that respond to clients' increasing needs for digital information**

Most MGS publications continue to be offered in hard copy, on CD-ROM or DVD for purchase through Publication Sales, and in electronic format for free download via the Web.

Manitoba plays an active and leading role as a contributor to local, national and international three-dimensional (3-D) modelling projects. Completion of a 3-D geological model of the Phanerozoic succession in southern Manitoba, south of latitude 55°N and west of longitude 95°W, is progressing. Increasing demand for groundwater and hydrocarbons have been the two main drivers for the 3-D mapping in Manitoba. The 3-D models contribute to a variety of geoscience knowledge bases relevant to Phanerozoic stratigraphy; hydrocarbon, groundwater and industrial-mineral resource development; and geological education. Programs such as the cross-border 3-D geological mapping of the Red River Valley assist in groundwater management at large scales on both sides of the Canada–United States border.

The Williston Basin TGI-2 project is nearing completion, using a standardized database to combine Manitoba and Saskatchewan data. Work continued through 2009 on finalizing databases and producing new versions of maps for the entire stratigraphic section. A digital compilation of hydrocarbon assessment information was completed and released in the spring of 2009.

The production of a seamless 1:250,000 scale digital geological base map for Manitoba is complete. The dataset has been integrated into the Minerals Division GIS Map Gallery and is available on the website.

The geophysical dataset compilation project involves geophysical data in the nonconfidential assessment files. This ongoing project focuses on expanding the number of datasets and converting the data presentations to standard format, with particular emphasis on converting data to standard projection and datum. New additions to the system make the holdings current to 2009. These data presentations are available for free download from the GIS Map Gallery.

### **6. Collaboration with industry, Federal, university and other provincial agencies**

The MGS is engaged in many partnered initiatives, including contributions from the federal government, the mineral industry and several Canadian universities. These partnerships provide MGS access to expertise and technologies that enhance our ability to provide a state-of-the-art geoscience database for Manitoba. These programs facilitate the training of future geoscience professionals, which in 2009–2010 included one Post-Doctoral Fellow, one Ph.D. candidate, two M.Sc. candidates and three Honours B.Sc. thesis projects.

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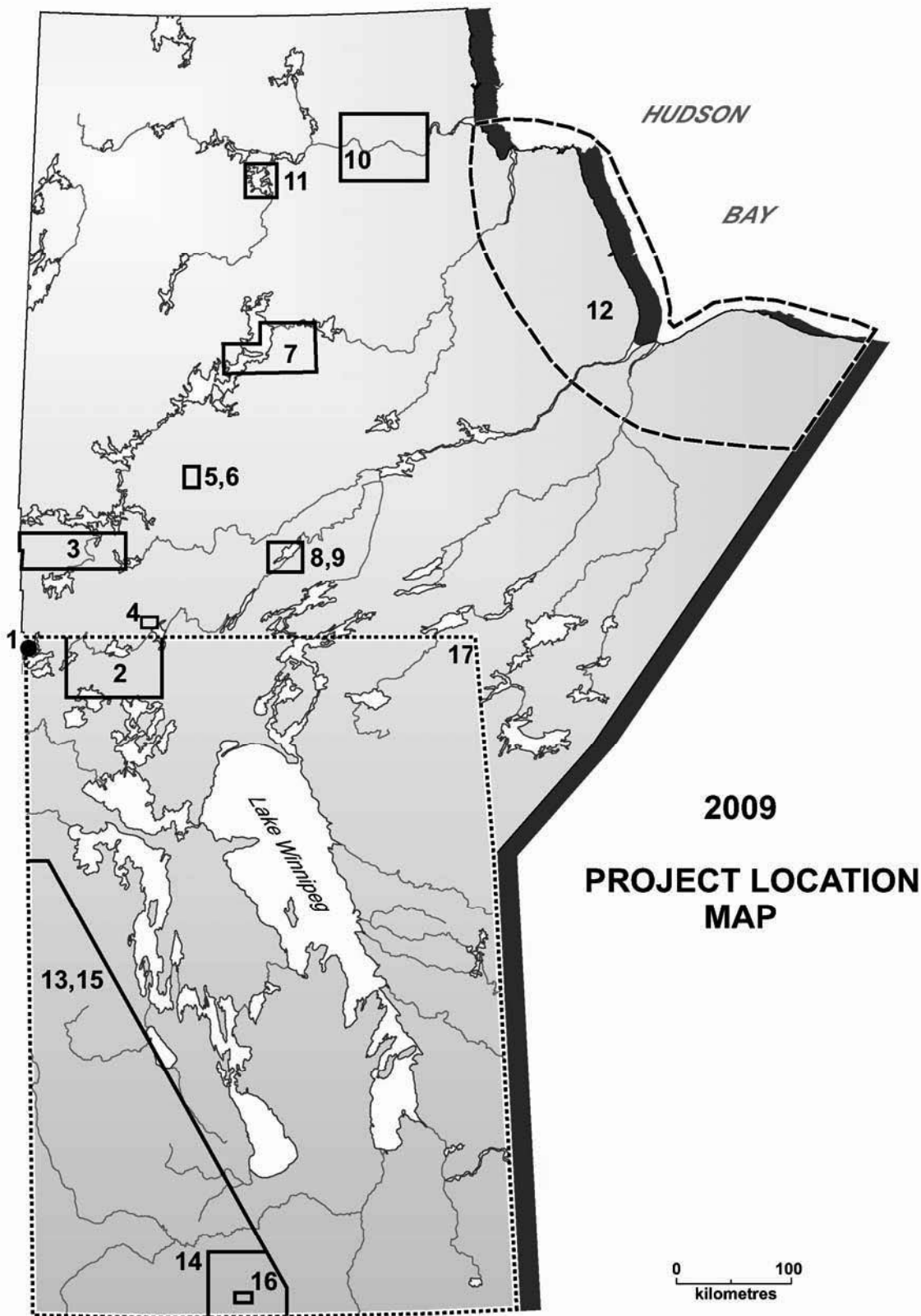
## 7. Providing minerals industry information through outreach activities

In the summer of 2009, the MGS conducted a two-week geological mapping course with the Sayisi Dene First Nation at Tadoule Lake. The goals of the program were to help increase awareness of the region's geology and mineral resources, provide the basic skills needed to work in a mineral exploration camp, and foster information sharing between First Nation communities and the MGS. Plans are for a second two-week course to be delivered in Tadoule Lake in 2010.

Manitoba Geological Survey mineral-education outreach initiatives included the 'Manitoba Rocks!' program, which was delivered at the Manitoba Mining and Minerals Convention, Children's Hospital and during Provincial Mining Week, which drew more than 4,000 visitors.

Other MGS outreach programs included the following:

- Annual Aboriginal Mining Workshop: Held as part of the Manitoba Mining and Minerals Convention
- Annual Learning Together Conference: Focus on how industry and communities can move forward to mutually benefit from mineral development.
- Sosnowski Lake camp assistants: To provide local training and employment opportunities, the MGS hired three camp assistants from the Sayisi Dene First Nation community at Tadoule Lake.
- Manitoba Ranger Program, 2009: An MGS geologist assisted in the five-week employment and training experience for students aged 16–18. The program provides career awareness and work experience in the northern resource sectors of mining, forestry and energy.
- Provincial Engineering and Geoscience Week: Staff of the MGS co-ordinated interactive mineral-education displays for this annual event.
- In addition, staff attended Aboriginal conferences, such as Vision Quest and the Canadian Aboriginal Minerals Association Conference.



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**Map Legend****Location of Manitoba Geological Survey Projects 2009-10**

- 1 Highlights of the new 1:10,000 scale geology map of the Flin Flon area, Manitoba and Saskatchewan
- 2 Toward a new sub-Phanerozoic Precambrian basement map of the Flin Flon Belt, Manitoba
- 3 Northern Flin Flon Belt, Manitoba: geological compilation progress report
- 4 Geological investigations of the McLeod Road-Birch Lake allochthon east of Snow Lake, Manitoba
- 5 Geology of the Notigi-Wapisu lakes area, Kiskeynew Domain, Manitoba
- 6 Geometry and history of the Notigi Lake structure
- 7 New results from geological mapping in the west-central portions of Southern Indian Lake, Manitoba
- 8 Progress report of geological mapping at Paint Lake, Manitoba
- 9 Evidence for carbonatite magmatism at Paint Lake, Manitoba
- 10 Far North Geomapping Initiative: geological investigations in the Great Island area, Manitoba
- 11 Sayisi Dene Mapping Initiative, Tadoule Lake area, Manitoba
- 12 Hudson Bay and Foxe Basins Project: introduction to the Geo-mapping for Energy and Minerals, GEM-Energy initiative, northeastern Manitoba
- 13 Geochemistry and mineralogy of Cretaceous shale, Manitoba
- 14 Water and gas chemistry of Cretaceous shale aquifers and gas reservoirs of the Pembina Hills area, Manitoba
- 15 Revisions to the Cretaceous stratigraphic nomenclature of southwest Manitoba
- 16 Preliminary results of soil geochemistry surveys in support of shallow gas exploration, Manitoba area

Progress in three-dimensional geological mapping in Manitoba and the eastern Prairies

***MINERALS POLICY AND BUSINESS DEVELOPMENT***

The Minerals Policy and Business Development section is responsible for monitoring industry and commodity information used in formulating Manitoba's minerals policies, promoting mining and exploration investment opportunities, and organizing and staging of the annual Mines and Minerals Convention. The section administers the Mineral Exploration Assistance Program (MEAP), Manitoba Prospectors Assistance Program (MPAP), which have been extended through 2011, and the Manitoba Mineral Exploration Tax Credit (MMETC). The section also helps facilitate the provision of community adjustment services to communities facing mine closure. To achieve these goals, the Minerals Policy and Business Development section works closely with the Manitoba Geological Survey and the Mines Branch of Innovation, Energy and Mines and all affected government departments.

The global mining industry was severely affected by the economic slowdown that took effect during the final quarter of 2008. Manitoba mining industry statistics for 2009 reflected the downturn in the economy, with the value of production decreasing from record highs of \$3.1 billion for 2007 and \$2.5 billion in 2008 to \$1.9 billion in 2009. After gaining international recognition in the 1999 Fraser Institute survey of mining companies as 'one of the best places in the world to invest in exploration and mining', frontier exploration, particularly for gold, copper, zinc, nickel and diamonds, expanded dramatically due to increased commodity prices coupled with the ability for junior explorers to raise exploration funds. This resulted in a significant increase in exploration spending through 2008. Natural Resources Canada reports that off-site mineral exploration expenditures have increased from under \$20 million in 1999 to \$141.5 million in 2008. Exploration spending in 2009 declined 40% due to difficulties in acquiring project financing, the result of the global economic decline. The decline was in line with reductions experienced by other Canadian jurisdictions.

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As the global economy begins to recover, major investments continue in support of existing mining operations. Hudson Bay Mining and Smelting and Vale Inco Limited continue investments to ensure their operations remain in Manitoba until at least 2016. Hudson Bay continues to advance its Lalor Lake zinc-gold discovery and Crowflight Minerals advanced their Bucko Mine project through finalization of mine construction to commercial nickel production. San Gold Corp. continues to turn their spectacular exploration successes at their Rice Lake gold mine into reserves and Alexis Minerals anticipates the re-opening of the Snow Lake gold mine (formerly New Britannia).

The section continued to build relationships with exploration and mining companies by promoting the advantages of investing in Manitoba. The benefits of these relationships are not always realized immediately. Mineral exploration and mine development are long-term endeavours with inherent risks. Over the years, however, all Manitobans have benefited from a healthy minerals sector that has grown to be the second largest primary resource industry in Manitoba, with a value of over \$1.9 billion in 2009.

The responsibilities of the Minerals Policy and Business Development section are implemented on a wide variety of fronts that include strategic business development including minerals policy, focussed client service, mining community development and administration of the minerals incentives programs.

**Strategic Business Development** - To effectively promote Manitoba's mineral investment advantages, it is important to understand industry trends and needs. Where possible, it is also necessary to contribute to the policies and initiatives that can impact mineral investment in a positive and sustainable way. Section representatives participated on various committees such as the Manitoba Mining Tax Committee, Intergovernmental Working Group subcommittees on exploration tax credits, resource tax reform and aboriginal participation in mining, and the Protected Areas Mineral Liaison Committee.

Competition for the exploration dollar has become international in scope and if we are to maintain a healthy and sustainable mining industry in the province it is critical to elevate the profile of Manitoba's mineral endowment and positive business environment. Section personnel conducted focused marketing initiatives and attended major industry conferences to attract exploration dollars to the province. The impact of Manitoba's policy climate in attracting mineral investment was recognized again in the 2010 Fraser Institute survey of mining companies, in which the province placed in the top 9 in the world amongst mining jurisdictions for having a policy environment that encourages mining investment. Survey results represent the opinions of exploration managers in mining companies operating around the world, and reaffirms Manitoba's continued rating amongst the top 10 jurisdictions in the world.

In addition, the Department worked collaboratively with local prospectors groups and Manitoba's mining communities to promote mineral and business opportunities in and around those communities through a Team Manitoba approach.

**Conventions and Trade Shows** - Investment opportunities were promoted through trade show displays and direct marketing efforts at the following major mining and exploration events:

- Prospectors and Developers Association of Canada (PDAC) - Toronto (21,660 in attendance)
- Mineral Exploration Roundup - Vancouver (6,000 in attendance)

**Team Manitoba** - a collaborative effort between Manitoba's mining communities, mineral property holders and staff from Innovation, Energy and Mines, was also successful in promoting mineral investment. Working together, the Team, including mayors from Manitoba's mining communities, provided a unified front to potential investors at the Prospectors and Developers Association of Canada Conference and at the Manitoba Mining and Minerals Convention.

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**Client Service** - Minerals Policy and Business Development, in co-operation with other Branches and government departments, provided advice and direction to help new mining and exploration companies adjust to operating in a new jurisdiction or existing companies embarking on new ventures. This client assistance was provided in both an interdepartmental team approach and through issue driven individual service. The section spearheaded the development of an on-line registration system for the Manitoba Mining and Minerals Convention that will also become a template for other departments in their conference registration requirements.

**Community Development** - activities undertaken by the section include participating in and co-ordinating various initiatives related to mine closure, including facilitating community adjustment and community economic development. The purpose of these activities is to help ameliorate the effects of mine closure on, and contribute to, the long-term viability of mining communities.

The department, with Local Government, Agriculture, Food and Rural initiatives, and Labour and Immigration took the lead in organizing an interdepartmental working group to deal with mine closure at Lynn Lake and Leaf Rapids. This core group grew into a government Steering Committee that is presently addressing both local and regional issues in the Lynn Lake – Leaf Rapids area, and was involved in the creation of workforce adjustment programs following the mine closure in Snow Lake. The Snow Lake Workforce Adjustment Committee (SLWAC) is cost-shared with Hudson Bay Mining and Smelting and provides outplacement services and workforce transition services for the affected HBMS workers. The SLWAC has successfully assisted 80 workers displaced due to the mine closure. In addition to increased government geological programming in this region, the government is providing funding assistance from the Mining Community Reserve to help each community deal with the effects of mine closure and plan for future economic development. The section was also involved in securing \$4.6 million for the construction of the Northern Manitoba Mining Academy in Flin Flon. This state of the art facility will provide advanced training of underground mining personnel, addressing the shortfall in training opportunities affecting the mining sector.

**Manitoba Mining and Minerals Convention** - the annual Manitoba Mining and Minerals Convention hosted approximately 1,200 industry participants in 2009. The convention provided a venue for stakeholders to acquire the latest government geological information releases, interact with the exploration and mining services sector and discover new business opportunities. The convention theme, "Rich in Opportunities reflected the mining sector's vibrant presence in Manitoba as well as Manitoba's enormous untapped mineral potential, and the many opportunities that exist for further exploration in our geologically diverse province. In 2009, the convention hosted a total of 65 trade show booths and 34 presentations. In addition, 39 mineral property booths and 32 geological posters were featured, as well as a drift prospecting short course. An aboriginal mining workshop was also held in conjunction with the convention. The Manitoba Mining and Minerals Convention 2010 will be held November 18,19 and 20 at the Winnipeg Convention Centre.

**Exploration Incentives** - The continuation of mineral incentive programs such as the Mineral Exploration Assistance Program (MEAP), Manitoba Prospectors Assistance Program (MPAP) and the Manitoba Mineral Exploration Tax Credit (MMETC) send a positive message to industry that Manitoba is serious about attracting investment and supporting industry in times of heightened competition for the global exploration dollar. Budget 2009 contained adjustments to the MMETC, increasing the tax credit to 20% in 2009/2010 with a further increase to 30% in 2010/2011. All programs were administered by the Minerals Policy and Business Development section and reported under 18-5(e).

**Crown Consultation** - Draft procedures were developed outlining the approach that the Mineral Resources Division will use to carry out the Crown's duty to consult with First Nations, Métis communities and other Aboriginal communities about mineral exploration and mine development projects. The draft procedures were developed with input from the Mining Association of Manitoba and are currently under review by the Assembly of Manitoba Chiefs.

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The objectives of these draft procedures are to:

- provide for a consultation process of a nature and scope that is commensurate with the potential level of effect on the exercise of treaty and aboriginal rights;
- clarify the roles of the Department and minerals industry in consultation.; and
- establish a clear, certain, timely, and effective process for communication, information sharing and meaningful consultation with respect to mineral exploration and development.

A copy of the draft procedures are available on the department's website at:

<http://www.gov.mb.ca/stem/mrd/mines/procedures/index.html>

**18-5(a) Manitoba Geological Survey**

<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2009/10 \$</b>	<b>Estimate 2009/10 FTE</b>	<b>\$</b>	<b>Variance Over (Under)</b>	<b>Expl. No.</b>
Total Salaries & Employee Benefits	3,875	55.10	3,965	(90)	
Total Other Expenditures	1,692		1,614	78	
<b>Total Expenditures</b>	<b>5,567</b>	<b>55.10</b>	<b>5,579</b>	<b>(12)</b>	

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## **MINES**

### **OBJECTIVES**

The Mines Branch administers legislation governing the disposition of mineral rights (permits, claims and leases), exploration, development, production of the province's non-fuel mineral resources and rehabilitation of mines and quarries. The branch comprises three sections; Mining Recording, Mining Engineering and Inspection, and Assessment.

### **ACTIVITIES/RESULTS**

Other activities performed by the Mines Branch staff included the continuing compilation of an inventory of the provinces aggregate resources and administration of provincial land-use policies that deal with the conservation of mineral resources. The Branch continues it's representation on the sub-committee of IGWG on Mine Environment Neutral Drainage (MEND) Committee, the Regulatory Improvement Working Group (RPIWG), the Green Mining Initiative (GMI), the Federal/Provincial Technical Committee on Mineral Statistics, the Provincial/Territorial Mining Rights Committee and National Orphaned and Abandoned Mines Initiative (NOAMI). Branch staff participated in a number of technical seminars, conferences and mine rescue competition. Staff are also involved in supporting Aboriginal Consultation for issuance of mineral dispositions and work permits.

Under the Orphan and Abandoned Mine Site Program, the total expenditure for FY 2009/10 was \$17.5 million. The rehabilitation work addressed some of the critical safety and environmental issues at the Sherridon, Lynn Lake, God's Lake and Ruttan mine sites and 11 smaller mine sites in various locations. In accordance with the Mine Closure Regulation, owners/operators of the province's operating and inactive mines submit closure plans that are reviewed and updated.

#### **Mining Recording Section**

Mining Recording offices are located in Winnipeg and Flin Flon.

Mining Recording Offices maintain up-to-date records of mineral dispositions and leases and all legal transactions that relate to mineral dispositions and leases as required by legislation. The general public can access the computer data base on mining claims and permits, quarry leases, quarry surface leases, quarry exploration permits and potash dispositions through terminals located in each of the offices. The Mines Branch is currently in the process of determining the feasibility of online submissions and map staking.

The Mining Recording Section processes applications for mineral dispositions, leases, monitors and inspects the activities of disposition and lease holders for compliance with requirements of The Mines and Minerals Act and Regulations, and collects fees, rentals, royalties, rehabilitation levies, taxes and cash security deposits payable under the Regulations. The total revenue collected by the Section during the fiscal year 2009/10 was \$4,711,523 and the rehabilitation levy collected on the removal of aggregate material was \$2,051,656 for the same period.

During the calendar year 2009, 185 mining claims and 20 mineral exploration licenses were recorded covering a total of 377,692 hectares. Concurrently, 100 quarry mineral leases, 789 casual quarry permits and 754 registration certificates for private pits and quarries were also issued during the same period. Details of the types of mineral dispositions and leases issued and in good standing in 2009 are shown on the following page.

The Mines Branch is in the process of developing its online system called iMaQs (Integrated Mining and Quarrying System) to acquire and manage mineral dispositions.



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## Aboriginal Consultation

The issuance of Mineral Exploration Permits has been impacted by the need to carryout consultation with First Nations people. This process has required considerable time which has resulted in some delays in issuing permits.

The Branch is also responsible for consultation on work permits. A process has been established to conduct First Nations consultation as required by Section 35 of the Constitution. The majority of work permits are approved for issue by Conservation within 60 days.

### Work Permit Applications Processed by Mines Branch

Number of Work Permit Applications Processed	86
Number of First Nations Bands Consulted	11
Average number of days between receiving a Work Permit Application and giving Conservation the okay to issue the permit	20
Applications withdrawn by Company/Individual	3

**MINERAL DISPOSITIONS ISSUED EACH CALENDAR YEAR 2006 – 2009**

	2006		2007		2008		2009	
	No.	Hectares	No.	Hectares	No.	Hectares	No.	Hectares
<b>Mining</b>								
Mining Claims	738	163,283	963	209,197	353	78,172	185	45,103
Mineral Exploration Licences	26	838,968	58	837,967	29	554,103	20	332,589
Mineral Leases	-	-	-	-	-	-	-	-
<b>Quarrying</b>								
Leases	65	2,693	44	7,172	61	2,556	88	5,029
Exploration Permits	2	225	9	54,514	38	47,729	2	1,230
Casual Quarry Permits	758	-	763	-	777	-	789	-
<b>Peat</b>								
Leases	2	402	4	556	-	-	12	2,544
Exploration Permits	1	1,243	-	-	-	-	-	-
<b>Coal – Exploration Permits</b>					3	30,135	22	39,380
<b>Private Aggregate Registration Certificates</b>	769	-	934	-	753	-	754	-

**MINERAL DISPOSITIONS IN GOOD STANDING AT CALENDAR YEAR END 2006 - 2009**

	2006		2007		2008		2009	
	No.	Hectares	No.	Hectares	No.	Hectares	No.	Hectares
<b>Mining</b>								
Mining Claims	5,248	802,269	6,005	971,439	6,243	1,622,770	5,953	976,011
Order-In-Council Leases	3,653	120,562	3,653	120,562	3,653	120,562	3,653	120,562
Mineral Exploration Licenses	132	3,810,142	156	2,646,058	107	2,104,812	97	1,797,707
Mineral leases	253	23,416	253	23,416	253	23,416	253	23,416
<b>Potash</b>								
Leases	1	5,787	1	5,787	1	5,787	1	5,787
Exploration Permits	1	45,212	2	54,514	4	148,726	3	127,431
<b>Quarrying</b>								
Leases	856	40,726	866	46,760	913	49,129	987	54,061
Exploration Permits	1	525	12	102,447	12	101,210	9	2,438
<b>Peat</b>								
Leases	146	22,683	150	23,238	150	23,238	163	25,842
Exploration Permits	1	1,018	1	1,018	1	1,018	-	-
<b>Coal – Exploration Permits</b>					3	30,135	26	88,758
<b>TOTAL</b>	10,292	4,872,340	11,099	3,995,239	11,340	4,280,803	11,145	3,222,013

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## **Mining Engineering and Inspection**

The primary purpose of the Mining Engineering and Inspection Section is to facilitate and encourage sound exploration, mining and rehabilitation practices in the province consistent with the principles of sustainable development and in compliance with The Mines and Minerals Act. It also provides land management and advisory services in support of provincial legislative and regulatory land use and resource management initiatives.

Staff monitor mining activity in Manitoba to ensure compliance with requirements under The Mines and Minerals Act including licenses, registrations, permits, leases, closure plan submissions, royalty/levy charges on production, and environmental operation standards. In 2009/10 inspection staff conducted field inspections to ensure mining compliance at quarry lease and casual quarry permit locations, private pit/quarry operations and site rehabilitation projects.

Three new projects were granted “new mine status” and one advanced exploration project was awarded permission to proceed.

Several mine closure plans for operating metal mines, inactive mines and for industrial mineral quarries were reviewed by Mines Branch staff and the closure plans were approved by the Director of Mines.

The Mines and Minerals Act, proclaimed in 1992, introduced a program to address the rehabilitation of pits and aggregate quarries in the province. Aggregate producers pay an annual levy based on the tonnes that they've produced and this money is set aside in a fund to be used for pit and quarry rehabilitation. On the basis of aggregate production from private and Crown lands in fiscal year 2009/10 approximately \$2.0 million was contributed to this Quarry Rehabilitation Fund, with over 117 rehabilitation projects being completed at a cost of \$2.3 million. The total number of projects completed since 1992 comprise approximately 8,022 hectares of land rehabilitated. All the work has been undertaken through private equipment rental agreements or tendered contracts with private operators, administered and monitored by branch inspection staff.

## **Orphan and Abandoned Mine Site Program**

The program continued to make significant progress in 2009/2010. Some of the highlights are outlined below:

- In Lynn Lake, former Farley Mine Site Remediation Plan – Detail engineering was completed and request of tender for construction services was called. Contract was awarded late February 2010, and earth works commenced immediately. Over the summer of 2009, effluent water was treated for appropriate discharge, and plans were developed for a permanent facility at the site.
- A new Class II Waste Disposal Ground for the Town of Lynn Lake was commissioned in December 2009 that meets the Manitoba Regulation MR 150/91. The facility is located 3.5 km. from the town, and has geosynthetic clay liner cells with a lime collection system.
- The decommissioning of the old garbage dump located on the tailings in Lynn Lake commenced in the fall of 2009 and will be completed by fall of 2010. The area will be covered with a geosynthetic liner and re-vegetated and will be integrated in the overall tailings remediation works.
- Rehabilitation work continued on the ETMA in Lynn Lake with 50% partner Viridian. The Loadout Structure on the east side has been demolished and graded. Vegetation studies and the river study continued.
- Demolition of the El Mine Complex in Lynn Lake was completed along with the preliminary mine site investigation. Part of the acid generating waste rock has been relocated and the closure plan is finalized. Detailed design is under development.
- Site investigation of the Gods Lake Mine site on Elk Island was completed. Underwater investigation was completed and no cyanide barge contamination was located. The head frame at Shaft #2 was demolished as the structural integrity was compromised. The power line demolition is completed. Site rehabilitation options are in progress.

- Sherridon Tailings neutralization and relocation contract was awarded in August, 2009. Work started immediately and 500 m<sup>3</sup>/h water treatment plant was commissioned March 1, 2010. Earthworks commenced September 2009, haul roads construction and site preparation. Camp Lake has been divided in three sections, the south and north portion of the lake are to be used for relocation of the tailings. The northern part was dewatered, and tailings were relocated while treated with lime. Due to soft ground this activity is possible only during winter. At the end of the winter over 635,000 m<sup>3</sup> of material was moved. The project will continue in FY 2010/11 with major completion in FY 2011/12.
- In Snow Lake tailings rehabilitation work has commenced with the detailed engineering design. A contract has been awarded to prepare the tailings for a engineered cover. Work is underway.
- A surface and groundwater study was conducted at the Ruttan Mine Site. It was identified that mine water treatment would be required in 3 to 5 years instead of 35 years as was estimated by HBMS when the mine closed. Mines Branch has issued a request for quotations for the engineering services contract administration and water treatment design at Ruttan site. Five bids were received and they are under evaluation.
- Four high hazard sites were rehabilitated in summer of 2009. To date 14 high hazard orphan/abandoned mine sites in southeastern Manitoba have been rehabilitated.
- All remaining High Hazards Sites are either under site investigation or at an advanced stage of closure design. In September 2009, a consultant was retained to address site investigation, detail design and contract administration of the remediation work at all the remaining sites. All remaining sites present significant challenges due to environmental damage, location and logistics.
- Fox Lake Abandoned Exploration Camp has been cleaned up, buildings were removed. Over 300 fuel drums were removed from the site.

### **Sustainable Land Planning Services**

Manitoba has enacted several resource management acts to manage land and natural resources as well as improve the economy and protect the environment. The mineral resource/land management program facilitates mineral resource and land stewardship in the various provincial and municipal land and resource use management planning processes. Program objectives for resource stewardship are to help facilitate the provincial interest in natural resources, manage land, and accommodate environmental management. Program goals are directed at facilitating responsible mining and resource development, protecting the environment, minimizing land and resource use conflicts and providing high quality land and resource management planning and advisory services to planning authorities, industry and other land management stakeholders.

Program goals also include providing secretarial support to the Surface Rights Board and assisting Manitoba in the transition to sustainability. The implementation of the program is as follows:

#### Crown Land Planning

The management, classifying and policy development for Crown land in Agro-Manitoba is the responsibility of the Bloc Planning Committees. Major activities of the Crown land management process include developing and implementing Crown land plans, developing Crown land use codes and policy and supervising land use on Crown lands through an integrated management process. Other significant land management activities include evaluating Crown land sale and use proposals, providing technical advice and information on resource management activities and facilitating land designation under various resource management acts. Land management provides planning services related to:

- Crown land sales
- Crown land exchanges
- Crown land planning and development
- allocation of use
- integration of use
- protection, conservation and sustainability of provincial natural resources.

All land sales, exchanges, land use codes and other administrative requirements for Crown land planning and management are reviewed and commented on by Land Management.

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## Municipal Planning

The Planning Act governs land use planning and development in Manitoba. The legislation provides municipalities and planning districts with the authority to create and adopt a Development Plan and Zoning By-law. Land management is actively involved in providing the legislatively based land planning processes and stakeholders with technical products, advice and technical positions on land planning matters. Support services include reviewing policy and development proposals and ensuring that the province's non-renewable mineral resources are not sterilized by development, preparing mineral resource management technical reports and maps that help facilitate mineral resource management, and providing professional planning advisory assistance to the subdivision review and conditional use processes. Other significant planning services include policy reviews of plans and zoning by-laws, public consultation and supporting planning appeal Boards. Land Management is responsible for the interpretation and application of Provincial Land Use Policy #9, MR 184/94. The Provincial Land Use Policy for minerals is currently being revised to strengthen its intent and provide clarity concerning protecting mineral resources. The regulation has recently been vetted through Interdepartmental Review Committee and is currently undergoing a public stakeholder consultation process and has been approved by Manitoba. Aggregate resources are becoming increasingly scarce in the Capital Region and special emphasis has been placed on designating critical resources for future mining activity, and ensuring that the resources are viable for infrastructure renewal.

## Sustainable Land Planning Services

	2007	2008	2009
Reviews of new Development Plans and by-law amendments to ensure that mineral resources are not sterilized	118	100	121
Municipal Boundary reviews including annexation or expansion	2	2	3
Review of new zoning by-laws and amendments	207	201	192
Review of closure of roads and public reserves	40	48	45
Review of conditional use applications for the establishment of mining operations	14	8	16
Review of proposed live stock operations	18	12	8
Provide land planning services to 44 planning districts and 144 municipalities			

## Land Use Assessment

Land Management provides technical support and advice to many and use review and assessment processes. Land use proposals are assessed to ensure that the province's mineral resources are not sterilized by development and to ensure that land use conflicts are identified and mitigated. Land use proposals that are assessed are subdivision applications, Crown land sales, zoning and policy memorandum as well as Crown surface encumbrances with the view of documenting land use, tenure and environmental conflicts. This activity directly supports interdepartmental and intergovernmental planning and resource management activities. A total of 2351 land use proposals were assessed for potential land use conflicts to ensure that the Province's mineral resources were not sterilized by surface development. A new policy and procedure and related process was created and implemented for mineral access rights. In addition, Land Management has partnered with development proponents in large complex surface, mineral and sand and gravel rights ownership to document and interpret various tenures and to help resolve ownership concerns including potash and northern mining communities.

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## Sustainability

The Sustainable Development Act was proclaimed on July 1, 1998. The Act creates a legal framework through which sustainable development will be implemented in the public sector and encouraged in private industry and society. An implementation process has been recently initiated and approved by Manitoba, and land management is currently providing technical support to many different provincial working groups and processes. Technical support is provided to COSDI, Codes of Practice, sustainability reporting, and financial management. Other important initiatives include sector based strategies under the provincial land and water initiative. Land Management also provides technical support to the Sustainable Development Innovations Fund by reviewing technical reports and participating in the approving committee. The principles of sustainable development are being codified into Municipal Plans, Crown Land plans and Zoning By-laws. The sustainability indicators report for mining areas prepared in the calendar year. Technical support for the Green Mining Initiative has also been initiated.

## Protected Areas Initiative

Manitoba has initiated a program to protect representative landscapes and ecosystems from logging, mining and hydro development. Currently, 8.3% of Manitoba is legally protected from mining development with an additional 5.7% supported for protection by the mining sector. Mines Branch plays an important technical role in the process by legally withdrawing Crown mining rights from mineral exploration, development and extraction to protect critical habitat from mining activities. It also provides land tenure information and other support to the stakeholder approval process. A new policy and process for protecting Rank 1 Crown mineral rights from exploration and development was implemented. The intent is to provide comprehensive legal security to the protected lands and ensure that they are protected until the stakeholder consultation process is completed.

## Treaty Land Entitlement

Progress was made towards meeting provincial obligations for Treaty Land Entitlement, Northern Flood Agreement and Grand Rapids Forebay Agreement in accordance with these legal agreement requirements. Land selections containing valid mineral dispositions in good standing were documented and technical support to the selection process was provided. Staff participated in resolving tenure conflicts associated with land selections and also provided procedural and policy advice. Three selection sites were ratified covering a total of 673.45 acres.

## Public Outreach

Land Management also provide educational and outreach services facilitating sustainability, mineral resource management to various land management boards, municipal councils, industry and the public. Public outreach services include presentations, workshops, and internet access to land management issues, policies, practices to ensure that there is an opportunity for public involvement and discussion regarding resource management issues. Activities include oral and poster presentations at conferences, workshops, public meetings and direct stakeholder consultations concerning mineral resource management. This activity helps facilitate informed decision making by land management boards, industry, and the public. Highlights for 2009 include providing public outreach to Manitoba's cottage lot program, assisting Manitoba prospectors and First Nation groups in land tenure issues, and providing technical support to Watershed Management Boards. This year special emphasis has been placed on conducting workshops on land planning and mineral tenure with stakeholders.

## Assessment Section

The Section receives and evaluates reports of required work submitted under The Mines and Minerals Act to ensure compliance with legislation and acceptable industry standards. At first confidential, these reports are eventually transferred to the non-confidential assessment library open to the public. These reports are indexed, microfilmed and scanned. Clients can view reports in our office or on the website.

Copies can be obtained by printing them directly from the website or ordering them from the Assessment Library. These reports are available on line, on paper, microfilm or compact disc.

The Section also provides advice to the Review Panel and Administrator of the Mineral Exploration Assistance Program on the merits and validity of the projects, acceptance of final reports and recommendations on payment or non-payment of grants.

The Section monitors mining exploration activities in the province and contributes to the preparation of reports on industry activity. It also acts as liaison between Natural Resources Canada and the mining industry for the gathering of statistics on exploration and production.

At the request of the Manitoba Securities Commission, the section reviews technical submissions on mining projects to ensure that they conform with the reporting standards set out in National Instrument 43-101 - Standards of Disclosure for Mineral Projects. Four projects were reviewed during the past year.

	2006	2007	2008	2009
Reports of work added to assessment library	110	99	150	109
Reports transferred to non-confidential status	67	106	124	106
<b>PRIVATE SECTOR:</b>				
Visits	108	139	42	47
Reports examined	552	635	240	111
Reports duplicated for clients	268	310	181	32
CD'S duplicated for clients	30	45	23	2
<b>DEPARTMENTAL STAFF:</b>				
Reports examined	301	147	133	14
Microfiche created/duplicated for Winnipeg and Northern Offices	879	469	379	46

### 18-5(b) Mines

<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2009/10 \$</b>	<b>Estimate 2009/10 FTE</b>	<b>\$</b>	<b>Variance Over (Under)</b>	<b>Expl. No.</b>
Total Salaries and Employee Benefits	1,357	26.00	1,337	20	
Total Other Expenditures	472		617	(145)	
<b>Total Expenditures</b>	<b>1,829</b>	<b>26.00</b>	<b>1,954</b>	<b>(125)</b>	

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## **PETROLEUM**

### **OBJECTIVE**

To provide for and encourage the safe and efficient development of Manitoba's oil and gas resources in accordance with the principles of sustainable development.

### **ACTIVITIES/RESULTS**

Manitoba's oil and gas sector, though small by national or international standards, is a significant component of the provincial economy particularly in the South Western part of the province.

In 2009, Manitoba produced 1,518,930.4 cubic metres of oil (9.56 million barrels) having a total value of approximately \$632 million. This is equivalent to about 35% of the province's refined petroleum products needs. Since there are no refineries in Manitoba, all of the province's production is exported through the Enbridge pipeline system to refiners in Ontario and the US.

In 2009, the petroleum industry spent \$485 million in Manitoba to explore for and develop Manitoba's oil and gas resources, to operate over 3,000 wells and transport crude oil and refined petroleum products within the province.

The Sinclair Field located 35 kilometres Southwest of Virden, continued to be expanded. As of December 31, 2009, the field has over 880 producing oil wells. In 2008, Sinclair contributed 43% of the total provincial production.

The Waskada Oil Field enjoyed resurgence in drilling during 2009. Originally developed in the early 1980's using vertical technology, this field is now being redeveloped and expanded using new horizontal technology.

It is estimated that the petroleum industry in Manitoba provides direct and indirect employment for approximately 1,550 Manitobans.

In 2009/10, royalties, production taxes and revenue from the administration of Crown owned oil and gas rights and fees added \$19 million to the Provincial Treasury. Significant revenues were also collected by the province through income taxes, retail sales tax, corporation capital tax, payroll tax and fuel taxes. In addition, the industry paid approximately \$4.0 million in property taxes to the various municipalities where oil wells and facilities are located.

The Petroleum Branch administers The Oil and Gas Act and related regulations governing the exploration, development, production, transportation and storage of crude oil and natural gas. The branch is also responsible for The Oil and Gas Production Tax Act. Additionally, officers and inspectors of the branch are designated as Workplace Safety and Health Officers under The Workplace Safety and Health Act with respect to oilfield operations. The inspectors also act as industry's first point of contact with regard to oil field related environmental issues.

In 2009, oil companies reported 46 spills. More information on spills is presented in the Petroleum Industry 2008 Spill Statistics and Report available from the branch.

The branch continued maintenance of its GIS Web-enabled Petroleum Resources map. The map covers South Western Manitoba including Townships 1-22; Ranges 19-29 W1 and shows provincial Crown oil and gas rights mineral ownership, Crown oil and gas dispositions, wells, oil and gas facilities, field boundaries, topography orthophotos and allows for download of the branch's technical well files. The map is available on the Petroleum website at [www.gov.mb.ca/petroleum](http://www.gov.mb.ca/petroleum).



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Tundra Oil & Gas Partnership received approval in August of 2008 to initiate a CO2 enhanced oil recovery project in the Sinclair Oil Field. A first for Manitoba, the project is designed to investigate the use of CO2 sequestration in Manitoba's oil fields to increase oil production. The pilot project will expire on December 31, 2010.

The branch participated in the following consultation and outreach activities during 2009/10:

- The 17<sup>th</sup> International Williston Basin Petroleum Conference (April 27 to April 29, 2009) in Regina, Saskatchewan. The Mineral Resources Division presented an update of Manitoba oil and gas exploration and development activity at this forum and met with industry clients.
- The Canadian Association of Petroleum Geologists Annual Convention (May 13 to May 17, 2009) in Calgary, Alberta.

The following Informational Notices were issued by the Petroleum Branch in 2009:

- Informational Notice 09-1: Schedule of Public Offering of Manitoba Crown Oil and Gas Rights - February 13, 2009;
- Informational Notice 09-2: Mandatory Electronic Data Submissions – May 7, 2009;
- Informational Notice 09-3: Abandonment Fund Reserve Account for Fiscal Year ending March 31, 2009 – March 31, 2009;

## **Administration and Geology Section**

### **Administration**

Administration is responsible for collection of petroleum revenues and administration of Crown owned oil and gas rights. The section collects annual lease rentals, Crown oil royalties and freehold oil taxes, conducts sales of Crown oil and gas leases and exploration reservations and processes lease renewals and extensions. The section is responsible for administering provisions of the Crown Disposition Regulation, the Crown Royalty and Incentives Regulation, the Oil and Gas Lease Agents Regulation and portions of the Drilling and Production Regulation under The Oil and Gas Act. The section also administers The Oil and Gas Production Tax Act and Regulation.

*Crown Oil and Gas Rights* - Four Crown oil and gas lease sales were held in 2009/10. One hundred and sixty two leases covering 17,832 hectares were sold for a total of revenue of \$6,026,742.75. Revenue collected from Crown oil and gas lease sales was up from the 2008/09 revenue by \$777,742.75.

Since 1979, the province has collected over \$50.9 million from the disposition of Crown Oil and Gas Rights. As of December 31, 2009, 144,467 hectares of Crown Oil and Gas Rights were under disposition. Crown leases account for all lands under disposition. There are currently no exploration reservations. Compared to 2008, the total area under disposition increased by 13.5%.

In 2009, the section processed 98 lease renewals and 24 lease extensions, 37 lease surrenders, 169 transfers of dispositions and 34 oil and gas lease agent renewals and registrations. It also issued 189 new leases, discharged 10 liens and conducted 5 private sales.

*Data Collection* - The section collects monthly oil production data and data on the disposal and injection of salt water for all active wells in the province. As of December 31, 2009, there were 3,640 non-abandoned wells in Manitoba. Digital production and injection histories are available for all wells.

During 2009/10, the section collected \$19.8 million from the petroleum industry. This revenue comprised \$6.6 million in Crown oil royalties, \$6.3 million in freehold oil taxes and \$6.9 million from administration of Crown Oil and Gas Rights, fees for well licences, battery operating permits, geophysical licences and oil and gas lease agent registration and publication sales. The revenue collected in 2008/09 was \$27.3 million.

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*Manitoba Drilling Incentive Program, (1992-2013)* - The Manitoba Drilling Incentive Program provides licensees of wells drilled after January 1, 1992 and before January 1, 2014, a holiday oil volume of production that is exempt from Crown royalties or freehold production taxes. The holiday volume earned is a function of oil price and location of the new well with respect to other wells.

Holiday oil volumes of up to 20,000 cubic metres can be earned by a new well.

In the eighteenth year of this program, 278 wells earned an average holiday oil volume of 8,367 cubic metres, bringing the total number of wells with a holiday oil volume in the program to 2,337 as of December 2009.

Any horizontal well drilled prior to January 1, 2014 receives a holiday oil volume of 10,000 cubic metres. Two hundred and seven horizontal wells were drilled in 2009.

Effective November 11, 1995, a marginal well where a workover is completed prior to January 1, 2014 earns a 500 cubic metre holiday oil volume. A marginal well is defined as a well that, over the previous 12 months, has been shut-in or has an average production rate of less than 3 cubic metres per operating day. Major workovers include the re-entry of abandoned wells, deepening or recompletion of existing wells from one pool to another and the repair of the casing in a well. Three wells earned a holiday oil volume under the program in 2009.

The Manitoba Drilling Incentive Program provides for a portion of the oil produced from a new waterflood or other enhanced oil recovery (EOR) project implemented after April 1, 1999, which is attributed to an increase in reserves, to qualify as third tier oil for royalty/tax purposes. A portion of production from 12 approved EOR projects have qualified as third tier oil.

Newly drilled injection wells, or wells converted to injection within an approved EOR project, qualify for an "injection well incentive" and a one-year royalty/tax exemption. As of December 31, 2009, a total of 82 wells had qualified for an "injection well incentive" since the inception of the program. A total of 57 wells have completed the injection incentive period.

*Performance Deposits and the Abandonment Fund Reserve Account* – The section administers trust accounts for performance deposits and the Abandonment Fund Reserve Account. Applicants for licences or permits issued under The Oil and Gas Act are required to submit a performance deposit to ensure operations comply with the Act and regulations. These deposits are held in trust until required rehabilitation work has been completed. In 2009/10, approximately \$3.21 million in cash, term deposits and letters of credit were administered.

The Abandonment Fund Reserve Account is established under The Oil and Gas Act. Non-refundable levies on geophysical and well licenses, transfer of well licenses, battery operating permits and inactive wells are deposited in the account. The account is used as a source of funds to operate or abandon a well or facility that is in non-compliance with the Act, where the licensee of the well or facility fails to do so. The account can also be used to rehabilitate the site of an abandoned well or facility or to address any adverse effect on property caused by a well or facility. Any expenditure from the account on behalf of a licensee automatically creates a debt of the licensee to the Crown, recoverable in court.

An annual report of activities relating to the account to March 31, 2010 is available on the Petroleum Branch website.

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**Abandonment Fund Reserve Account Activity**

<b>Opening Balance (April 1, 2009)</b>		<b>613,155.60</b>
<b>Deposits</b>		<b>237,360.65</b>
Levies and Penalties	233,625.00	
Interest	3,735.65	
Penalty of Inactive Well Levy	0	
Recovery of Expenditures	0	
<b>Total Deposits</b>		<b>237,360.65</b>
<b>Expenditures and Refunds</b>		<b>17,777.90</b>
<b>Closing Balance (March 31, 2010)</b>		<b>832,738.35</b>

**Geology:**

Geology prepares reports on Manitoba's petroleum geology and hydrocarbon potential to encourage and assist in the exploration and development of the provinces oil and gas resources. A system for the designation of field and pool boundaries is maintained and updated annually. As of January 1, 2010, Manitoba had 13 designated oil fields and 196 designated active oil pools.

In addition, Geology provides consultation and assistance to the public and the petroleum industry.

Accomplishments in 2009/2010 include:

- Continued enhancement of the geological formations Tops database as part of the Manitoba Oil and Gas Well information system. In 2009, a total of 151 new wells were added to this database.
- 281 new field and pool codes were designated in 2009.
- Reviewed and updated the process for assigning HOV to all new wells drilled in Manitoba. Assigned HOV to 236 wells in 2009.
- Ensured all submitted paper geophysical logs were scanned and available in digital .tiff format in preparation for eliminating paper logs and to free-up office space. All non-confidential paper logs that could be removed, were removed from the Winnipeg Office in April 2010 and are now only available in digital format or in paper format at our field offices in Virden and Waskada.
- Updated submitted digital log file (.las & .tiff) entry procedures and reorganized the digital directory. We are presently working towards eliminating the submission of paper geophysical logs and having all logs submitted in a digital format.
- Updated core analysis procedures and report submission requirements, and reviewed applications for core sampling, examination and analysis.
- Oil reserves estimation to December 31, 2008.
- Report on Solution Mining issues associated with potash and how that might impact oil and gas exploration and development in Manitoba.

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## **Engineering and Inspection Section**

### **Engineering:**

Under the authority of the Drilling and Production Regulation and the Geophysical Regulation, Engineering processes drilling licenses, geophysical licenses and applications to re-complete, suspend, or abandon wells. It also issues permits for all oil and gas facilities. In 2009/10, a total of 356 drilling licenses and 17 geophysical licenses were issued. In addition, 78 technical well operations applications were processed.

The Petroleum Branch processed and approved 4 waterflood enhanced oil recovery projects in 2009/10. Tundra Oil & Gas created Sinclair Unit #2, Sinclair Unit #3 and Ebor Unit #2. Fairborne Energy Ltd. created Sinclair Unit #4.

The Petroleum Branch conducted a Pooling Order hearing in January 2010 to resolve mineral issues related to a horizontal well licence.

The Engineering group has also been updating and revising the Drilling and Production Regulations. The revised Regulations will soon include pooling orders. New Pipeline Regulations are also being written.

Information and advice are provided to the petroleum industry and the public at the Winnipeg, Virden and Waskada offices.

### **Inspection:**

Inspection enforces regulations under The Oil and Gas Act related to geophysical, drilling, production, and pipeline operations. Specifically, the inspectors license and inspect field facilities, investigate complaints, witness specific operations, and interpret and communicate departmental or regulatory requirements to industry personnel. Inspectors are also responsible for carrying out safety and health inspections of petroleum industry operations under The Workplace Safety and Health Act. District offices are located in Virden and Waskada.

More than 1,700 wells and oil and gas facilities in the province were inspected at least once during the year. A total of 151 non-compliance orders were issued in 2009/10 for wells and oil and gas facilities not in compliance with the Act. A total of 579 flow line applications were processed and 202 excavation permits issued.

Inspectors visit all abandoned well sites to ensure that the abandonment and clean up have been conducted properly and that plant growth has been established. During 2009/10, 108 old abandoned sites were visited and 27 Certificates of Abandonment were issued, allowing for the release of wells from performance deposit requirements. The unit also manages a program of environmental protection involving the rehabilitation of all oil or salt water spill sites. During 2009/10, 46 new spills and 82 old spill sites were inspected. 27 spill sites were fully rehabilitated and released from the branch's rehabilitation program.

### **Digital Information Services Section**

Digital Information Services is responsible for development and maintenance of computer systems within the branch. These systems include a diverse collection of activities such as web services, database maintenance, GIS, distribution of data to brokers, application development, document images and mapping services.

In 2009/10, the section continued to expand the offering of information available on the internet. The section provided ongoing support and development for GIS map products, Petroleum website enhancements and the Manitoba Oil and Gas Well Information System (MOGWIS).

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Accomplishments in 2009/10 include:

- Continued research into data standardization with other jurisdictions through the investigation of the use of the Alberta Registry;
- Improvements and automation in the providing quicker outputs and accuracy for plotted wells and production allocations
- Continued support for the Petroleum Branch Manitoba Oil and Gas Well Information System
- Ongoing support for GIS functions
- Continued updating of Petroleum datasets for outside use
- Petroleum website now provides data that enables users to interpret specific well data production

### **Minister's and Director's Approvals**

Under The Oil and Gas Act, the Minister and the Director of Petroleum have authority to issue orders relating to drilling, production, storage and transportation of oil and gas. The Minister has authority to make orders relating to well spacing, enhanced recovery, maximum production rates, seizure of wells and facilities and to enter into Unit Agreements on behalf of the Crown. The Lieutenant Governor in Council has delegated parts of this authority, under Order in Council 384/2001, to the Director where the circumstances are considered routine. The Director has authority to issue orders relating to salt water disposal, designation of field and pools, designation of new oil status and to affect the seizure of wells and facilities of a non-compliant operator pursuant to a Ministerial Seizure Order.

In 2009/10 the Minister made the following orders:

Pipeline Operating Licence No. 60-01A Amendment	October 11, 2009	Tundra Oil & Gas Partnership
Pooling Order No. 10-1	January 25, 2010	Relative Resources Ltd.

In 2009/10, the Director of Petroleum made the following orders:

Salt Water Disposal No. 199	August 28, 2009	EOG Resources Canada Inc.
Salt Water Disposal No. 200	October 6, 2009	PennWest Petroleum
Unit Agreement ( Sinclair Unit No. 3)	October 31, 2009	Tundra Oil & Gas Partnership
Water Flood Order No. 18	November 1, 2009	Tundra Oil & Gas Partnership
Salt Water Disposal Permit No. 201	November 3, 2009	Tundra Oil & Gas Partnership
Unit Agreement (Sinclair Unit No. 4)	November 30, 2009	Fairborne Energy LTD
Water Flood Order No. 19	December 1, 2009	Fairborne Energy LTD
Unit Agreement ( Sinclair Unit No. 2)	December 31, 2009	Tundra Oil & Gas Partnership
Water Flood Order No. 17	January 1, 2010	Tundra Oil & Gas Partnership
Unit Agreement ( Ebor Unit No 2)	February 28, 2010	Tundra Oil & Gas Partnership
Water Flood Order No. 20	March 1, 2010	Tundra Oil & Gas Partnership

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**Petroleum Industry Overview :**

	<b><u>2009</u></b>	<b><u>2008</u></b>
New wells drilled	260	316
Oil production	1,518,930.4m <sup>3</sup> (9.56 million bbls)	1,368,950.4 m <sup>3</sup> (8.62 million bbls)
Value of oil sales (\$ million)	\$632	\$831
Average selling price	\$419.03/m <sup>3</sup> (\$66.58/bbl)	\$612.15/m <sup>3</sup> (\$97.27/bbl)
Wells producing - December	2,726	2,578
Estimated Industry Expenditures (\$ million)	\$485	\$320

More comprehensive information and historical statistics on Manitoba's petroleum industry are presented in the Oil Activity Review available from the Petroleum Branch.

**18-5(c) Petroleum**

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<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2009/10</b>	<b>Estimate 2009/10</b>	<b>Variance Over (Under)</b>	<b>Expl. No.</b>
	<b>\$</b>	<b>FTE</b>	<b>\$</b>	
Total Salaries & Employee Benefits	1,340	21.50	1,374	(34)
Total Other Expenditures	356		329	27
<b>Total Expenditures</b>	<b>1,696</b>	<b>21.50</b>	<b>1,703</b>	<b>(7)</b>

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## BOARDS AND COMMISSIONS

### OBJECTIVES

To provide for the resolution of disputes between surface rights holders, mineral rights, and oil and gas rights holders with respect to accessing minerals, oil and gas.

#### Mining Board

The Mining Board is established under the Mines and Minerals Act. The primary function of the Board is the arbitration of disputes between surface rights holders and mineral rights holders with respect to accessing of minerals other than oil and gas. The Board can also hear and resolve disputes between holders of mineral dispositions and between holders and officers of the Department.

No Board Orders were issued in 2009.

#### Surface Rights Board

The Surface Rights Act establishes a quasi-judicial process for resolving land access and development disputes between oil and gas development proponents and surface rights holders. The Act also establishes a Board to arbitrate and mediate disputes and establishes appropriate compensation for petroleum development activities. Land Management provides administrative support to the process and the Board.

Highlights for 2009 include preparing and printing of the guide for land owners in both official languages, and initiating a legislative review process targeted at modernizing The Surface Rights Act. Other significant activities for the fiscal year include improving the administrative process and procedures for the Board activities, including public consultation and written comments from stakeholders.

	2006	2007	2008	2009
Signed Agreements for Surface Leases (fiscal year)	409	351	404	332
Total Number of Recorded Surface Leases	3060	3411	3815	4147
Review of Compensation Applications	1	0	0	0
Review of Compensation Applications	0	0	0	0
Termination of Board Orders	0	0	0	0
Application for Abandonment Orders	0	0	1	0
Board Orders Issued	0	0	0	0
Mediation Reports	1	0	0	0

#### 18-5(d) Boards and Commissions

Expenditures by Sub-Appropriation	Actual 2009/10 \$	Estimate 2009/10 FTE	Variance Over (Under) \$	Expl. No.
Total Salaries and Employee Benefits	6	30	(24)	1
Total Other Expenditures	8	16	(8)	1
<b>Total Expenditures</b>	<b>14</b>	<b>46</b>	<b>(32)</b>	

1. Decrease in Board activities.

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## **MINERAL INDUSTRY SUPPORT PROGRAMS**

The Mineral Industry Support Programs are delivered under Manitoba Geological Survey.

### **Mineral Exploration Assistance Program**

The Mineral Exploration Assistance Program (MEAP) provides financial assistance to eligible companies or individuals who undertake mineral exploration in Manitoba. Established in the fall of 1995, MEAP was renewed for an additional three years starting with the April 2008 offering and will provide \$2.5 million of assistance annually. The program was designed to increase exploration and stimulate activities that may lead to the development of new mines. Companies/individuals may qualify for 25% - 35% of eligible exploration expenditures up to a maximum of \$400,000.00 per recipient, per fiscal year; depending on the area of exploration. A higher percentage of assistance is offered for projects undertaken in the Northern Superior region of the province, due to remoteness and limited infrastructure. In response to difficult times brought on by the downturn in the mineral industry, MEAP has extended the higher percentage of assistance on eligible expenditures to include the Lynn Lake/Leaf Rapids areas. Two offerings are held per fiscal year.

Companies with approved projects under the April 2009 offering had until October 31, 2009 to complete their work, and approved projects under the November, 2009 offering had until March 31, 2010 to complete their work. Thirty-nine of the original 50 approved projects were completed.

### ***Reviews, Audits and Inspections***

To ensure accountability and integrity of the Program, the Department continued to conduct audits and site inspections following guidelines developed with the Provincial Internal Audit office. In the 2009/2010 fiscal year, Innovation, Energy & Mines and the Provincial Internal Audit Office decided to forego internal audits of the program for the year due to other priorities within Internal Audit and past history of administration of the program. Ten site inspections for projects representing \$664,114.00 or 26.6% of the allocated assistance have been completed.

### ***Program Highlights from October 1995 to March 31, 2010***

- 167 companies have participated under MEAP of which:
  - 126 companies are considered new to Manitoba.
  - 16 are major exploration companies, and
  - 151 are junior companies (note: a company is considered a major exploration company if its market capitalization is greater than \$100 million).
- \$27.4 million of assistance has been issued to 721 completed projects.
- \$232.1 million in exploration expenses have been reported.
- Reported exploration expenditures under the Program indicate every \$1 million in assistance paid generates \$8.5 million in exploration expenditures.
- For every dollar of MEAP assistance, the Manitoba Bureau of Statistics estimates that there are \$1.85 in taxes collected in Manitoba.



## Mineral Exploration Assistance Program 2009 Status

<i>Offering</i>	<i>Applications Received</i>	<i>Approved Applications</i>	<i>Proposed Exploration \$ in 000's</i>	<i>Assistance \$ Allocated in 000's</i>	<i>Projects Completed</i>	<i>Actual Exploration \$ in 000's</i>	<i>Assistance \$ Paid</i>
9-04-01	25	25	12,748.7	1,100.0	16	5,259.0	716.4
09-11-02	25	25	18,797.8	1,400.0	23	17,874.9	1,371.3
<b>TOTAL</b>	<b>50</b>	<b>50</b>	<b>31,546.5</b>	<b>2,500.0</b>	<b>39</b>	<b>23,133.9</b>	<b>2,087.7</b>

**Note:** Projects approved under the November 2009 offering have until June 15, 2010 to file final reports and make application for final payment

## Results of Assistance by General Region of Exploration for 2009/2010

	<b>Projects</b>		<b>Exploration \$ in 000's</b>		<b>Assistance \$ in 000's</b>	
Far North	0	(0.0%)	\$ 0.0	(0.0%)	\$0.0	(0.0%)
Flin Flon/Snow Lake	26	(52.0%)	\$14,689.5	(63.5%)	\$1,415.5	(67.8%)
Hudson Bay Lowland	1	(2.0%)	\$76.8	(0.3%)	\$20.4	(1.0%)
Lynn Lake/Leaf Rapids	2	(4.0%)	\$0.0	(0.0%)	\$0.0	(0.0%)
Northern Superior	5	(10.0%)	\$ 2,443.7	(10.6%)	\$227.1	(10.9%)
SE Trans-Hudson Orogen	0	(0.0%)	\$ 0.0	(0.0%)	\$0.0	(0.0%)
Southeastern Manitoba	12	(24.0%)	\$2,117.3	(9.2%)	\$242.5	(11.6%)
South Central Manitoba	2	(4.0%)	\$91.5	(0.4%)	\$29.9	(1.4%)
Thompson Nickel Belt - Superior Boundary Zone	2	(4.0%)	\$3,715.1	(16.1%)	\$152.4	(7.3%)

## Manitoba Potash Project

The Manitoba Potash Corporation (MPC) holds the development rights to known potash reserves in the Russell-Binscarth area of southwest Manitoba. MPC was created in 1986 as a joint venture between the province of Manitoba (49 per cent) and Canamax Resources Inc. (51 per cent). In 1990, Canamax sold its 51% interest in the potash project, to Potamine Potash Mining of Canada Inc. (Potamine), a subsidiary of Enterprise Minière et Chimique (EMC) Group of France. In November 2006 BHP Billiton, one of the largest diversified mining companies in the world, purchased Potamine's share in the MPC and has committed to submit a \$15 million exploration plan to the provincial government within two years.

BHP has completed a preliminary economic evaluation of their Russell property. Their assessment is that a 2 million tonne per year mine is technically feasible, but it faces significant technical and economic issues. BHP Billiton is committed to ongoing evaluation of market conditions and opportunities as they arise that could improve the project economics. Until the investment can demonstrate a positive return, there are no plans to progress the development of the project.

## Acid Rain Abatement Program - Flin Flon

This program provided financial assistance to Hudson Bay Mining and Smelting Co., Limited for the construction of environmental improvements to the metallurgical plant at Flin Flon. Modernization of the plant resulted in containment of sulphur dioxide emissions within prescribed limits. Unfortunately this program was unsuccessful, and HBM&S plans to close the Flin Flon smelter in July 2010.

The department continued to monitor the commitments by HBM&S and administered the ancillary loan agreement between Manitoba and Saskatchewan. HBM&S completed the repayment of loan obligations in June, 2008.

## Manitoba Prospectors Assistance Program

The Manitoba Prospectors Assistance Program (MPAP) offers grants to prospectors conducting exploration on either their own Manitoba properties or open Crown land. The Program is targeted at increasing mineral exploration in Manitoba to help replenish declining ore reserves. The Program is funded at \$123,000 per year and allows individual prospectors to qualify for up to 50% of their prospecting expenditures incurred up to a maximum of \$7,500 per prospector per year. The program also provides 80% of the cost of one return charter flight or \$1,500.00 per year, whichever is less, for projects undertaken in more remote areas of the Province. The maximum assistance of \$9,000.00 is available per applicant, per year.

In 2009/10 the program received 14 applications for grants; 13 prospecting projects were approved under the program and 9 were completed. The total amount of Program funds dispersed for 2009/2010 was \$36,466.88.

Garry Thorne	3,864.97
Doug Berk	4,907.76
Guy Royer	7,150.00
Edwin Gaucher (2 projects)	9,633.94
Bill Hood	1,719.74
Harold Westdal (2 projects)	6,577.97
Ken Klyne	2,612.50
Total Funds Dispersed:	<u>\$36,466.88</u>

## 18-5(e) Mineral Industry Support Programs

Expenditures by Sub-Appropriation	Actual 2009/10 \$	Estimate 2009/10 FTE \$	Variance Over (Under)	Expl. No.
Mineral Industry Support Programs				
- Mineral Exploration Assistance Program	2,134	2,500	(366)	
- Prospectors Assistance Program	37	123	(86)	1
- Manitoba Potash Project	58	197	(139)	2
- Acid Rain Abatement Program - Flin Flon	0	0	0	
<b>Total Expenditures</b>	<b>2,229</b>	<b>2,820</b>	<b>(591)</b>	

1. Companies and/or individuals did not complete programs as proposed and did submit for payment of the grant.
2. Reduction in expenditure due to lower interest rates.

## AMORTIZATION AND OTHER COSTS RELATED TO CAPITAL ASSETS

Commencing in 1999/2000, it is the policy of the Province of Manitoba to record in the accounts of the Province, the tangible capital assets owned and used by the Province along with appropriate amortization costs. The Provincial Comptroller has established standard asset classes, along with capitalization thresholds and corresponding amortization rates.

Consistent with this policy, the department records amortization of:

- the Enterprise System allocated to departments based on projected use;
- the Desktop Management Initiative costs allocated to the departments as a percentage of total units;
- the departments share of the total estimated costs of the Desktop Management Initiative and Enterprise System Management;
- the amortization of other departmental and government assets; and
- the interest related to the assets.

### 18-6 Amortization and Other Costs Related to Capital Assets

Expenditures by Sub-Appropriation	Actual 2009/10 \$	Estimate 2009/10 FTE \$	Variance Over (Under)	Expl. No.
(a) ENTERPRISE SYSTEM				
Amortization Expense	3,448	3,448	-	
Less: Recoverable from other appropriations	(3,448)	(3,448)	-	
(b) DESKTOP SERVICES				
Enterprise Software Licenses	93	131	(38)	
(c) Amortization Expense	3,898	5,544	(1,646)	1
(d) Interest Expense	2,919	2,880	39	
<b>Total Expenditures</b>	<b>6,910</b>	<b>8,555</b>	<b>(1,645)</b>	

1. Delay in Capital Projects.

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## **INNOVATION, ENERGY AND MINES**

### **Reconciliation Statement**

<b>EXPENDITURE DETAILS</b>	
<b>2009/10 MAIN ESTIMATES</b>	82,560
<b>MAIN ESTIMATES AUTHORITY TRANSFERRED FROM:</b>	
- <b>Enabling Appropriations</b>	
• Internal Reform, Workforce Adjustment and General Salary Increases	143
• eco-Trust	438
<b>MAIN ESTIMATES AUTHORITY TRANSFERRED TO:</b>	
- <b>Conservation</b>	(4,081)
<b>2009/10 ESTIMATE</b>	79,060

**Innovation, Energy and Mines  
Expenditure Summary**

**For Fiscal Year Ended March 31, 2010 (with comparative figures for the previous year)**

Estimate 2009/10 \$	Appropriation	Actual 2009/10 \$	Actual 2008/09 \$	Increase (Decrease) \$	Explanation Number
	<b>18-1 Administration and Finance</b>				
46	(a) Minister's Salary	46	45	1	
	(b) Executive Support				
492	(1) Salaries and Employee Benefits	486	474	12	
73	(2) Other Expenditures	64	49	15	
150	(c) Administration and Finance	149	150	(1)	
761	Total 18-1	745	718	27	
	<b>18-2 Energy Development Initiatives</b>				
	(a) Energy Development Initiatives				
978	(1) Salaries and Employee Benefits	764	944	(180)	
1,350	(2) Other Expenditures	2,104	6,887	(4,783)	1
2,328	Total 18-2	2,868	7,831	(4,963)	
	<b>18-3 Science, Innovation and Business Development</b>				
	(a) Science, Innovation and Business Development				
1,657	(1) Salaries and Employee Benefits	1,571	1,573	(2)	
606	(2) Other Expenditures	605	629	(24)	
12,600	(3) Manitoba Research and Innovation Fund	12,600	11,919	681	
720	(4) Manitoba Centres of Excellence Fund	720	650	70	
(750)	(5) Less: Recoverable from Urban Development Initiatives	(750)	(750)	0	
6,003	(b) Manitoba Health Research Council	6,003	6,003	0	
700	(c) Industrial Technology Centre	700	750	(50)	
396	(d) Manitoba Education, Research and Learning Information Networks	396	445	(49)	
21,932	Total 18-3	21,845	21,219	626	

## Expenditure Summary

Estimate 2009/10 \$	Appropriation	Actual 2009/10 \$	Actual 2008/09 \$	Increase (Decrease) \$	Explanation Number
	<b>18-4 MB Information and Communication Technologies</b>				
	(a) ICT Services Manitoba				
17,724	(1) Salaries and Employee Benefits	18,311	17,859	452	
68,326	(2) Other Expenditures	70,867	65,036	5,831	2
(55,583)	(b) ICT Services Manitoba Recovery	(59,696)	(54,674)	(5,022)	3
	(c) Legislative Building Information Systems				
1,010	(1) Salaries and Employee Benefits	1,017	954	63	
211	(2) Other Expenditures	189	185	4	
	(d) Service Transformation Manitoba				
1,165	(1) Salaries and Employee Benefits	1,362	1,323	39	
529	(2) Other Expenditures	508	793	(285)	4
33,382	Total 18-4	32,558	31,476	1,082	
	<b>18-5 Mineral Resources</b>				
	(a) Manitoba Geological Survey				
3,965	(1) Salaries and Employee Benefits	3,875	3,761	114	
1,614	(2) Other Expenditures	1,692	1,691	1	
	(b) Mines				
1,337	(1) Salaries and Employee Benefits	1,357	1,508	(151)	
617	(2) Other Expenditures	472	663	(191)	
	(c) Petroleum				
1,374	(1) Salaries and Employee Benefits	1,340	1,333	7	
329	(2) Other Expenditures	356	424	(68)	
	(d) Boards and Commissions				
30	(1) Salaries and Employee Benefits	6	7	(1)	
16	(2) Other Expenditures	8	7	1	
	(e) Mineral Industry Support Programs				
In 2,500	(1) Mineral Exploration Assistance Program	2,134	1,707	427	5
123	(2) Prospectors' Assistance Program	37	17	20	6
197	(3) Manitoba Potash Project	58	130	(72)	7
0	(4) Acid Rain Abatement Program-Flin Flon	0	14	(14)	8
12,102	Total 18-5	11,335	11,262	73	

## Expenditure Summary

Estimate 2009/10 \$	Appropriation	Actual 2009/10 \$	Actual 2008/09 \$	Increase (Decrease) \$	Explanation Number
	<b>18-6 Amortization and Other Costs Related to Capital Assets</b>				
3,448	(a) Enterprise System				
(3,448)	(1) Amortization	3,448	3,458	(10)	
	(2) Less: Recoverable from other appropriations	(3,448)	(3,458)	10	
131	(b) Desktop Services				
5,544	- Enterprise Software Licenses	93	93	0	
2,880	(c) Amortization Expense	3,898	3,997	(99)	
	(d) Interest Expense	2,919	2,879	40	
8,555	Total 18-6	6,910	6,969	(59)	
79,060	<b>TOTAL INNOVATION, ENERGY AND MINES</b>	76,261	79,475	(3,214)	

1. Expenditures for Coal Reduction Strategy in 2008/2009.
2. Increase of desktop seats and all associated costs.
3. Increase in recovery due to increase of desktop seats and all associated costs.
4. On-line service campaign and Shaw Business Trust in 2008/2009.
5. Increase in the amount of claims in 2009/2010.
6. Increase in the amount of claims in 2009/2010.
7. Decrease due to lower interest rates in 2009/2010.
8. No expenditures in 2009/2010.

**Innovation, Energy and Mines  
Revenue Summary by Source**

**For Fiscal Year Ended March 31, 2010 (with comparative figures for the previous year)**

<b>Actual 2008/09 \$</b>	<b>Actual 2009/10 \$</b>	<b>Increase (Decrease) \$</b>	<b>Source</b>	<b>Actual 2009/10 \$</b>	<b>Estimate 2009/10 \$</b>	<b>Variance \$</b>	<b>Explanation Number</b>
<b>Current Operating Programs:</b>							
<b>Taxation</b>							
10,832	8,088	(2,744)	Oil and Natural Gas Tax	8,088	5,604	2,484	1
10,832	8,088	(2,744)	Sub-Total	8,088	5,604	2,484	
<b>Other Revenue</b>							
16,217	12,649	(3,568)	Petroleum Royalties and Fees	12,649	6,053	6,596	2
3,753	4,712	959	Minerals Royalties and Fees	4,712	3,541	1,171	3
225	365	139	Sundry	365	504	(139)	
20,195	17,726	(2,470)	Sub-Total	17,726	10,098	7,628	
<b>31,027</b>	<b>25,814</b>	<b>(5,214)</b>	<b>Total</b>	<b>25,814</b>	<b>15,702</b>	<b>10,112</b>	



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**Explanations:**

**Comparison to Previous Year**

1. *Revenue has decreased due to lower price in 2009/2010.*
2. *Revenue has decreased due to a decrease in price and Royalty values in 2009/2010.*

**Comparison Actual to Estimate**

1. *Revenue was higher than estimate due to increased daily productions and tax values.*
2. *Revenue was higher due to increased land sale revenue than estimated and increased daily productions and Royalty values.*
3. *Revenue was higher than estimate due to increased forfeitures of cash in lieu of work payments on Mining Claims and Mineral Exploration licences, forfeitures of cash deposits on Mineral Exploration Licences and Quarry Exploration Permits, Mineral Lease Rentals and Quarry Lease Rentals.*

**FIVE YEAR HISTORY**

**Innovation, Energy and Mines**

**Five-Year Expenditure and Staffing Summary by  
Appropriation (\$000s)**

**For Five Years Ended March 31, 2010**

Appropriation	Actual/*Adjusted Expenditures									
	2005-2006		2006-2007		2007-2008		2008-2009		2009-2010	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Administration and Finance	7.00	635	7.00	671	7.00	692	7.00	718	7.00	745
Energy Development Initiatives	11.00	1,772	11.00	1,983	11.00	4,779	11.00	7,831	10.00	2,868
Science, Innovation and Business Development	22.00	18,220	20.00	18,947	19.00	20,700	19.00	21,219	19.00	21,845
Manitoba Information & Communication Technologies	90.12	27,192	218.72	28,149	222.72	30,680	222.72	31,476	219.72	32,558
Mineral Resources	102.60	11,038	102.60	10,644	102.60	10,944	102.60	11,262	102.60	11,335
Amortization and Other Costs Related to Capital Assets		9,179		7,362		19,932		6,969		6,910
<b>TOTAL OPERATING</b>	<b>232.72</b>	<b>68,036</b>	<b>359.32</b>	<b>67,756</b>	<b>362.32</b>	<b>87,727</b>	<b>362.32</b>	<b>79,475</b>	<b>358.32</b>	<b>76,261</b>
Expenditures Related to Capital Investment		17,124		9,368		8,735		8,099		8,618
<b>TOTAL</b>	<b>232.72</b>	<b>85,160</b>	<b>359.32</b>	<b>77,124</b>	<b>362.32</b>	<b>96,462</b>	<b>362.32</b>	<b>87,574</b>	<b>358.32</b>	<b>84,879</b>

\* - Adjusted figures reflect historical data on a comparable basis in those appropriations affected by reorganizations during the five years

## **INNOVATION, ENERGY AND MINES**

### **2009/10 Annual Report Performance Measurements**

The following section provides information on key performance measures for the department for the 2009-10 reporting year. This is the fifth year in which all Government of Manitoba departments have included a Performance Measurement section, in a standardized format, in their Annual Reports.

Performance indicators in departmental Annual Reports are intended to complement financial results and provide Manitobans with meaningful and useful information about government activities, and their impact on the province and its citizens.

For more information on performance reporting and the Manitoba government, visit [www.manitoba.ca/performance](http://www.manitoba.ca/performance).

Your comments on performance measures are valuable to us. You can send comments or questions to [mbperformance@gov.mb.ca](mailto:mbperformance@gov.mb.ca).

**Priority: Drive implementation of the Green Strategy and maximize Energy & Climate Change opportunities for Manitobans**

(A) <b>What is being measured and using what indicator?</b>	(B) <b>Why is it important to measure this?</b>	(C) <b>Where are we starting from?</b>	(D) <b>What is the 2009/2010 result or most recent available data?</b>	(E) <b>What is the trend over time?</b>	(F) <b>Comments/recent actions/report links</b>
<p>Developing alternative energy sources for Manitoba by measuring Wind Energy Production and the level of investment it is attracting in Manitoba.</p>	<p>Measuring alternative energy resources not only demonstrates the importance of diversifying the province's reliance on a single energy source, but it also recognizes the importance of developing clean, renewable and sustainable energy resources.</p>	<p>Wind production prior to 2005 was zero megawatts.</p> <p>In April 2005, St. Leon had the first Wind farm in Manitoba, which was built with a \$210 million private capital investment.<sup>1</sup></p>	<p>99.9MW of wind generation was available at St. Leon with power being sold to Manitoba Hydro.</p> <p>Pattern Energy signed a 27-year Power Purchase Agreement for the 138MW St. Joseph Wind Farm.</p> <p>Construction has commenced on the wind farm.</p>	<p>By the end of 2010, 238MW of wind generation will be operational in Manitoba.</p> <p>The next phase of wind development in Manitoba will focus on smaller scale, community based projects.</p>	<p>Approximately 7 additional sites will be monitored in the next 1 to 2 years to support the development of a Manitoba wind atlas.</p> <p>For more information, please see the press releases and reports below.</p> <p>MB Hydro progresses in evaluation of wind energy proposals. <a href="http://www.hydro.mb.ca/news/releases/news_08_03_31.html">http://www.hydro.mb.ca/news/releases/news_08_03_31.html</a></p> <p>Province, Manitoba Hydro Unveil Expression of Interest To Develop 1,000 Megawatts of Wind Over the Next Decade – November 2005 <a href="http://www.gov.mb.ca/chc/press/top/2005/11/2005-11-21-01.html">http://www.gov.mb.ca/chc/press/top/2005/11/2005-11-21-01.html</a></p> <p>Southern Manitoba Farmers Set To Harvest Province's First Wind Crop – April 2005 <a href="http://www.gov.mb.ca/chc/press/top/2005/04/2005-04-28-04.html">http://www.gov.mb.ca/chc/press/top/2005/04/2005-04-28-04.html</a></p> <p>For more information about Wind Energy visit the Canadian Wind Energy Association website <a href="http://www.canwea.ca/">http://www.canwea.ca/</a></p> <p>Province of Manitoba Climate Change Action Plan 2002 <a href="http://www.gov.mb.ca/est/climatechange/pdfs/final-mccap-sep-16-02.pdf">http://www.gov.mb.ca/est/climatechange/pdfs/final-mccap-sep-16-02.pdf</a></p>

<sup>1</sup>The St. Leon turbine is the first of 12 test wind turbines operational as of April 28, 2005, under the federal government's Canadian Renewable and Conservation Expense program which will be used to verify wind resources. Following a successful test phase, AirSource Power Fund will oversee the construction of a total of 63 wind-turbine generators, making up the 99-megawatt (MW) project covering two municipalities in southern Manitoba

**Priority: Create major opportunities for community & economic development through ‘New Economy’ industries and technology**

(A) <b>What is being measured and using what indicator?</b>	(B) <b>Why is it important to measure this?</b>	(C) <b>Where are we starting from?</b>	(D) <b>What is the 2009/2010 result or most recent available data?</b>	(E) <b>What is the trend over time?</b>	(F) <b>Comments/recent actions/report links</b>
<p>We are measuring the ability to create opportunities for Manitobans in high tech industries by measuring the number of communities in Manitoba with broadband or high speed Internet access.</p>	<p>Access to Broadband is a cornerstone to economic development as it creates opportunities for Manitobans to compete in global markets, enhances education opportunities through e-learning and provides access to health care through tele-health<sup>2</sup>.</p>	<p>Access to Broadband was limited in Manitoba and did not exist in rural and northern communities prior to September 2001.</p>	<p>In 2009/10, 356 of 473 communities have or are in the process of acquiring access to broadband services.  This is a 38% increase over the previous year.</p>	<p>A steady increase in connectivity will continue as service providers expand their service areas. This increase will be enabled those service providers that are successful in accessing the Broadband Canada fund to provide rural and northern communities with High Speed Internet.</p>	<p>For more information, please see the documents below.  This measure was reported on page 46 of <i>Reporting to Manitobans on Performance 2005 Discussion Document</i>, which is available at <a href="http://www.gov.mb.ca/finance/pdf/performance.pdf">http://www.gov.mb.ca/finance/pdf/performance.pdf</a>  Industry Canada Broadband Program: <a href="http://www.ic.gc.ca/eic/site/719.nsf/eng/home">http://www.ic.gc.ca/eic/site/719.nsf/eng/home</a></p>

<sup>2</sup> Access offers local businesses opportunities to participate in a wider area of commerce. Access and a community’s web presence can be viewed as a tool for gaining e-commerce, enhancing economic development, and fostering growth in key areas. By reducing and even eliminating the economic costs traditionally associated with distance, broadband communications will offer all Manitoba communities the potential to capitalize on their natural and human assets.

**Priority: Significantly improve Manitoba's research capacity and the environment for our researchers**

(A) <b>What is being measured and using what indicator?</b>	(B) <b>Why is it important to measure this?</b>	(C) <b>Where are we starting from?</b>	(D) <b>What is the 2009/10 result or most recent available data?</b>	(E) <b>What is the trend over time?</b>	(F) <b>Comments/recent actions/report links</b>
<p>The capacity of Manitoba's research community, by measuring the amount of funding directed to research organizations in Manitoba by Innovation, Energy and Mines.</p>	<p>Research and development capacity and its infrastructure is a key indicator as it is a measure of Manitoba's competitiveness in retaining and attracting research investment and talented researchers and technologists.</p>	<p>The MRIF's predecessor, the Manitoba Innovation Fund (MIF)<sup>3</sup> was established in 1998 and provided total annual research funding of \$7 million.</p> <p>MRIF was established in 2003/04.</p>	<p>In 2009/10 the MRIF provided funding of \$7.8 million from the research component, \$2.8 million from the innovation component and \$2 million for the Health Research Initiative, for a total of \$12.6 million.</p>	<p>The initial trend was an increase of the fund from \$12.05 million in 03/02 to its height of \$14.1 million in 07/08. The fund has since dropped to \$13.3 million in 08/09 and \$12.6 in 09/10.</p> <p>Total provincial investments into research have continued to climb slowly, largely because of increased investments into the Manitoba Health Research Council.</p>	<p>Manitoba Innovation Framework <a href="http://www.gov.mb.ca/est/innovation/index.html">http://www.gov.mb.ca/est/innovation/index.html</a></p> <p>The Framework is a long-term strategic plan, initiated by the Manitoba Government in 2002.03, that supports knowledge based economic development through research, innovation and technology development. The document sets out a target of doubling Manitoba Government research investments to \$40 million annually by 2010.</p> <p>The MRIF also works with national funding organizations that provide matching funds to Manitoba. For more information, please view the websites below</p> <p>Canadian Foundation for Innovation (CFI) <a href="http://www.innovation.ca/index.cfm">http://www.innovation.ca/index.cfm</a></p> <p>Genome Canada <a href="http://www.genomecanada.ca/">http://www.genomecanada.ca/</a></p> <p>Canada and Canadian Institutes for Health Research (Regional Partnership Program.) <a href="http://www.cihr-irsc.gc.ca/">http://www.cihr-irsc.gc.ca/</a></p>

<sup>3</sup> In 2003/04 the Manitoba Research and Innovations Fund (MRIF) was established with an allocation of \$12.05 million, as the main vehicle for provincial research and innovation funding.

**Priority: Drive and support service transformation in Government**

(A) <b>What is being measured and using what indicator?</b>	(B) <b>Why is it important to measure this?</b>	(C) <b>Where are we starting from?</b>	(D) <b>What is the 2009/2010 result or most recent available data?</b>	(E) <b>What is the trend over time?</b>	(F) <b>Comments/recent actions/report links</b>
<p>The effectiveness of government's service transformation efforts toward citizen-centered service delivery, by using a service quality index devised for the Citizens First Surveys. These surveys are conducted independently by the Institute for Citizen-Centred Service and the Institute of Public Administration of Canada.</p>	<p>Public demand for improved service delivery continues to escalate year over year, which means that government must monitor its service improvement progress to ensure that it is meeting the needs of its citizens.</p>	<p>The Provincial Government's Service Quality Score has improved since Citizens First 1 was published in 1998.</p> <p>At that time, our Service Quality Score was 67. Our Service reputation Score was 47.</p>	<p>Citizens First 5 was released in the fall of 2008. It shows that Manitoba's Service Reputation Score has a rating of 53/100, with an overall Service Quality Score of 71.5.</p> <p>The surveys are taken every 2 -3 years with the next one expected in the 2011/12 timeframe.</p>	<p>In the past, Manitoba scores have continually improved in the area of Service Reputation with Citizens First 2(2000), where the rating was 53, Citizens First 3 rating was 56.</p> <p>Most recently, the 2005 rating decreased slightly to 53. A steady improvement in Service Quality Scores from 67 in 1998 to our current rating of 71 in 2008.</p>	<p>Visit this site to review the outcomes of Citizen First 5</p> <p><a href="http://gww.internal/stem/stm/process_framework_tools/mcs/references.html">http://gww.internal/stem/stm/process_framework_tools/mcs/references.html</a></p> <p>A potential issue with using Citizens First data is that it is unclear whether or not this measure will be available for the long term, which would require a change in this measure at a later date.</p>

**Priority: Find the top opportunities to lever and expand Government’s ICT assets as strategically as possible to benefit Manitobans**

(A) <b>What is being measured and using what indicator?</b>	(B) <b>Why is it important to measure this?</b>	(C) <b>Where are we starting from?</b>	(D) <b>What is the 2009/10 result or most recent available data?</b>	(E) <b>What is the trend over time?</b>	(F) <b>Comments/recent actions/report links</b>
<p>Manitoba’s ability to maximize the use our Information and Communication Technology (ICT) assets by measuring the number of Public Sector entities (i.e. schools, hospitals, and crown corporations) that use the Manitoba Network<sup>4</sup> as their primary network infrastructure.</p>	<p>Public sector entities that choose to become part of a larger user network will benefit from reduced costs, reliable service levels and consistent security provisions.</p>	<p>2005/06 marked our first attempt at measuring this indicator.</p> <p>At the time, 15 Education sites<sup>5</sup> and all 11 of the Manitoba Health Authorities were using the Manitoba Network under the current contract.</p>	<p>There are currently 20+ Manitoba Network connections serving over 50 schools. Another 9 connections serving 9 schools will be added by September 2010.</p> <p>All RHA facilities continue to subscribe to Manitoba Network services.</p>	<p>More schools are anticipated to connect over the next 2 years.</p>	<p>The Manitoba Network is a key initiative that will help meet government’s commitment to ensure all communities in Manitoba have access to broadband or high-speed network services by 2010</p>

<sup>4</sup> The Manitoba government’s Public Sector Data Network (PSDN) has been renamed the Manitoba Network. The PSDN represents a contract for the use/sharing of ICT capabilities with other public sector entities.

<sup>5</sup> Education sites are defined as any educational facility, such as schools or post-secondary institutions, as well as administrative offices, such as school division offices, that support educational facilities.



**Priority: Help expand the development of Minerals and Petroleum industries in Manitoba**

(A) <b>What is being measured and using what indicator?</b>	(B) <b>Why is it important to measure this?</b>	(C) <b>Where are we starting from?</b>	(D) <b>What is the 2009/2010 result or most recent available data?</b>	(E) <b>What is the trend over time?</b>	(F) <b>Comments/recent actions/report links</b>
Annual exploration expenditures by the minerals and petroleum exploration industries.	Annual exploration expenditures are the most direct indicator <sup>6</sup> of the level of mineral and petroleum exploration activity in the Province. One of the primary roles of the Mineral Resources Division is to promote exploration and investment in Manitoba.	<p>2002 Mineral exploration (dollar value millions) of exploration in Manitoba (annual expenditure change): \$29.8 (up 3.8%)</p> <p>2002 Petroleum exploration and development capital expenditures (dollar value millions) in Manitoba and annual expenditure change: \$56.5 (0.38%).</p>	<p>2009/2010 Minerals exploration declined 45% from 2008/2009 level to \$83.7. 2010 projected exploration down 14% to \$72.6.</p> <p>2009/2010 Petroleum Exploration and Development is estimated to have increased 1.9% over 2008/2009.</p> <p>Exploration and Development expenditures for 2009/10 are estimated to be \$267 million out of \$480 million petroleum industry total expenditures.</p>	<p>2009 Canadian mineral exploration expenditures declined 47% from 2008. Projections for 2010 are for a 24% increase from 2009. In 2010, Manitoba is the only Canadian jurisdiction to experience a decline in estimated exploration expenditures.</p> <p>2009/10 CAPP expenditures are not currently available but using 2008 data as a base, Manitoba's exploration and development expenditures increased to 0.7% of total Canadian oil and gas investment from 2007 value of 0.6%.</p>	<p>Natural Resources Canada (NRCan) reports mineral exploration and deposit appraisal statistics for all provinces and territories at <a href="http://mmsd.mms.nrcan.gc.ca/stat-stat/expl-expl/sta-sta-eng.aspx">http://mmsd.mms.nrcan.gc.ca/stat-stat/expl-expl/sta-sta-eng.aspx</a></p> <p>High base metal prices which led to an increase in exploration in Manitoba over the past 3 years decreased sharply in the 3<sup>rd</sup> Qu/08 and with the exception of gold are expected to remain well below 2007-08 levels through 2009 with some recovery expected in 2010. Manitoba's share of Canadian mineral exploration increased from 2.8% in 2006 to 5.0% in 2008 and for 2009 is estimated to be 5.2% but has dropped to 3.4% in 2010.</p> <p>Canadian Association of Petroleum Producers (CAPP) captures and compiles oil industry WCSB exploration and development expenditures by province. The expenditures exclude oil sands projects.</p> <p>The Department conducts an annual survey of total oil industry expenditures in Manitoba. Over the past 5 years, CAPP exploration and development expenditures have averaged 54% of total oil industry expenditures in Manitoba as estimated by the Department. Projections for 2009 are not available from CAPP.</p>

<sup>6</sup> Mineral exploration expenditure statistics are public (compiled by Natural Resources Canada and Canadian Association of Petroleum Producers), unbiased, accurate, and available going back many years. They can be translated into jobs and tax revenue using information supplied by the Manitoba Bureau of Statistics. These numbers are a roll-up type indicator that reflects not only the impacts of government policy and programs, but also external factors. They are strongly influenced by commodity prices, projected worldwide supply and demand, and even weather (e.g., warm winters—and poor ice conditions—such as those in 2005-06 do not allow companies to conduct a full winter exploration program). Accordingly, such indicators cannot be viewed in isolation of worldwide trends or local developments. They are not influenced solely by government policy.

## ***The Public Interest Disclosure (Whistleblower Protection) Act***

*The Public Interest Disclosure (Whistleblower Protection) Act* came into effect in April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The Act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under the Act may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or, knowingly directing or counselling a person to commit a wrongdoing. The Act is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with the Act, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under the Act, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under the Act, and must be reported in a department's annual report in accordance with Section 18 of the Act.

<b>Information Required Annually</b> <b>(per Section 18 of The Act)</b>	<b>Fiscal Year 2009 – 2010</b>
The number of disclosures received, and the number acted on and not acted on.  <i>Subsection 18(2)(a)</i>	<b>NIL</b>
The number of investigations commenced as a result of a disclosure.  <i>Subsection 18(2)(b)</i>	<b>NIL</b>
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken.  <i>Subsection 18(2)(c)</i>	<b>NIL</b>

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## PART B - CAPITAL INVESTMENT

Capital Investment is provided in the Estimates of Expenditures under Part B. For the year ended March 31, 2010, the department's capital authority provided for the acquisition, development and enhancement of government's information communication and technology. Support for internal reform initiatives involving the use of information technology in the delivery of government's services are reported separately.

### Part B - CAPITAL INVESTMENT

<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2009/10 \$</b>	<b>Estimate 2009/10 FTE \$</b>	<b>Variance Over (Under)</b>	<b>Expl. No.</b>
B.6(a) – Desktop Managed Environment	-	-	-	
B.6(b) – Enterprise System	2,589	2,654	(65)	
B.6(c) – Other Information Technology Projects	2,933	2,907	26	
B.6(d) – Corporate Information Technology Projects	3,096	3,060	36	
<b>Total Capital</b>	<b>8,618</b>	<b>8,621</b>	<b>(3)</b>	

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## **APPENDIX A**

### **ASSOCIATED AGENCIES, BOARDS, COMMISSIONS and COUNCILS**

#### **ECONOMIC INNOVATION TECHNOLOGY COUNCIL**

The Economic Innovation and Technology Council (EITC) acts as a catalyst in establishing partnerships and alliances for increased economic development through innovation. EITC tables its annual report under separate cover with the Manitoba Legislature.

#### **INDUSTRIAL TECHNOLOGY CENTRE**

The Industrial Technology Centre (ITC) is a special operating agency of the Department of Innovation, Energy and Mines. The Department supports ITC's contribution to economic development activities in Manitoba via an Economic Development Contribution Agreement (a performance contract). ITC provides a wide range of technical services in support of technology based economic development in Manitoba. ITC tables its annual report under separate cover with the Manitoba Legislature.

#### **MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS**

The Manitoba Education, Research and Learning Information Networks (MERLIN), is a special operating agency of the Department of Innovation, Energy and Mines. MERLIN tables its annual report under separate cover with the Manitoba Legislature.

#### **MANITOBA GAMING CONTROL COMMISSION**

The Manitoba Gaming Control Commission is the primary regulatory body responsible to ensure that gaming activities are conducted with honesty, integrity and in the public interest. The Manitoba Gaming Control Commission tables its annual report under separate cover with the Manitoba Legislature.

#### **MANITOBA HEALTH RESEARCH COUNCIL**

The Manitoba Health Research Council (MHRC) provides funding for health research initiatives. The Manitoba Health Research Council tables its annual report under separate cover with the Manitoba Legislature.

#### **MINING BOARD**

The board arbitrates disputes with respect to accessing of minerals other than oil and gas. The board can hear and resolve dispute between holders of mineral dispositions and between holders and officers of the Departments. The board can also advise on matters relating to the pooling of mineral operations and to the designation of land as limited use land.

#### **SURFACE RIGHTS BOARD**

The Surface Rights Act establishes a Quasi-judicial board to administer and enforce the Surface Rights Act. Responsible for resolving land access and development disputes between oil and gas development proponents and surface rights holders. The Board also arbitrates and mediates disputes and establishes appropriate compensation for petroleum activities.

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## **APPENDIX B**

### **FINANCIAL INFORMATION**

Innovation, Energy and Mines  
**Summary of Business Assistance**  
2009/2010 Fiscal Year

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<b>MANITOBA CENTRES OF EXCELLENCE FUND</b>	<b>720,000</b>
<b>MANITOBA RESEARCH AND INNOVATION FUND</b>	<b>12,599,998</b>
<b>LESS: RECOVERABLE FROM URBAN DEVELOPMENT</b>	<b>(750,000)</b>
<b>TRANSFER PAYMENTS</b>	<b>7,347,650</b>
<b>MINERAL INDUSTRY SUPPORT PROGRAMS:</b>	
<b>Mineral Exploration Assistance Program</b>	<b>2,134,445</b>
<b>Manitoba Prospectors' Assistance Program</b>	<b><u>36,467</u></b>
	<b><u>\$22,088,560</u></b>

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## APPENDIX C

### FINANCIAL INFORMATION

Innovation, Energy & Mines  
**List of Business Assistance**  
2009-2010 Fiscal Year

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#### MANITOBA PROSPECTORS' ASSISTANCE PROGRAM

Doug Berg	\$4,908
Edwin Gaucher (2 projects)	9,634
William Hood	1,720
Ken Klyne	2,613
Guy Royer	7,150
Garry A Thorne	3,865
Harold Westdal (3 projects)	6,578
	<hr/>
	<b>\$ 36,467</b>

#### MINERAL EXPLORATION ASSISTANCE PROGRAM

Bison Gold Resources Inc.	189,249
Callinan Mines Limited	60,130
Copper Reef Mining Corporation	273,663
Cougar Minerals Corporation	49,664
Crowflight Minerals Inc.	76,205
Eagleridge Minerals Corporation	14,939
Halo Resources Ltd	18,001
Hudson Bay Exploration and Development Company Limited	152,410
Hudson Bay Mining & Smelting	136,590
James M. Dawson	74,705
Lynn Lake Nickel Mining Company	46,746
Marathon PGM Corp	16,852
Murgor Resources Inc.	61,223
New Britannia Mine Ltd.	76,205
Pure Nickel Inc.	76,205
Rockcliff Resources Inc.	289,000
Rolling Rock Resources Inc.	76,205
Troymet Exploration Corporation	42,517
Ursa Major International Inc.	76,205
VMS Ventures Inc.	86,143
Western Potash Corp.	29,847
Wildcat Exploration Ltd.	41,854
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	<b>\$2,134,445</b>