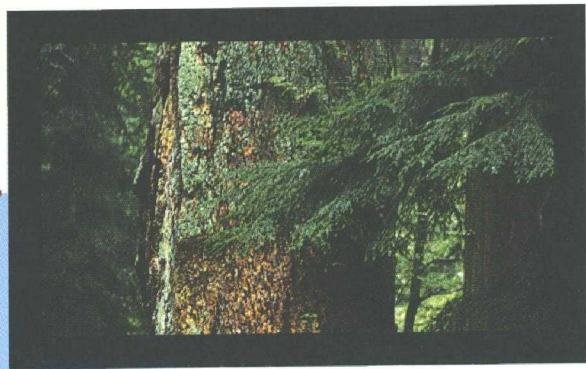




INVESTMENT OPPORTUNITIES

The Canadian government is committed to a favourable mining investment climate. Canada offers foreign investors many opportunities to participate in hundreds of projects at all stages of development, from early exploration to production. As of November 1995, Canadian companies held a portfolio of some 2750 foreign mineral projects in 99 countries around the world. Canada annually holds one of the world's largest mining trade shows, which provides a unique window on Canadian mineral-investment opportunities worldwide.

Canada has championed the world's junior mining companies. Young international mining companies listed on Canada's stock exchanges provide further opportunities for investors to participate in mineral development the world over. Many major initial public offerings and secondary financings for mining take place on the Vancouver and Toronto stock exchanges.

FOREST INDUSTRIES

With some 240 million hectares of commercial forest land found within its borders, Canada is home to diverse species of some of the world's finest softwoods, mixed woods and hardwoods. The second-largest commercial softwood forest in the world is found in Canada. This fine resource base, combined with a highly skilled work force, advanced technology and proximity to international markets, gives Canada's forest products a leading competitive advantage in the world marketplace.

Canada is the world's largest exporter of forest products. In 1995, Canadian forest industry shipments totalled \$57 billion, three-quarters of which were exported to markets around the world. Principal exports include high-quality primary products such as market pulp, newsprint, softwood lumber and wood-based panel products. The production and



export of higher value-added products such as paper packaging, stationery and business papers, wood windows, doors, mouldings and furniture, as well as wood building products, are all areas of high growth potential. In 1995, Canada became the largest exporter of manufactured housing to Japan, with export growth of nearly 200 per cent since 1992. The industry is consistently the largest contributor to Canada's positive trade balance.

Two major groups comprise the forest industries sector: paper and allied industries and wood industries. Most of the country's major forest-sector firms produce both wood and paper products. Mills producing commodity pulp and paper and wood products tend to be world-scale operations, with integrated activities ranging from silviculture and harvesting to manufacturing. Producers of higher value-added products tend to be smaller operations.

Over its 200-year history, the Canadian forest industry has evolved as a world-class, technologically advanced industrial sector. It is a leader in sustainable forestation techniques, and a new Canadian standard is being developed for the certification of sustainably managed forests. Three world-class forest products research institutes have been established in Canada: the Pulp and Paper Research Institute of Canada, the Forest Engineering and Research Institute of Canada, and Forintek Canada Corporation. These institutes work collaboratively with industry and government to address technology, product-innovation and environmental issues. A strong co-operation between industry and government over the last decade has resulted in the development of world-class technologies, especially in paper recycling. For example, the closed loop technology is one technology that has revolutionized the paper industry around the globe.

The forest products industry is continually adapting to changes in the global business environment to maintain its pre-eminence. Canada's forests are managed on a sustainable yield and multi-use basis. Forest-product companies have made significant investments in capacity-increasing advanced manufacturing and environmental technologies, resulting in products of a high quality that are cost competitive yet respect the sensitive ecological balance of the forest resource.

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