



Message From the President

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If you missed the launch of Google+ a few weeks ago, you would not be alone. Despite a limited roll-out to about 10 million users by invitation (and I wasn't one of the early invitees), the latest entry in social networking services by the technology giant signifies that social media's reach will soon get a whole lot wider. Social networking is not just your kids' favourite pastime anymore.

You might think that getting resource companies to grasp the concept and then use this form of communications would be akin to getting a dinosaur to learn to type. You would be wrong. Resource companies are on the leading edge of many forms of technology, and communications is one of those. So while it probably took our communications team longer to get me up to speed than it would have my kids, we like many resource companies are seeing tremendous opportunities in the new and growing social media forums and formats.

The influence and number of social media and social networking sites have been growing steadily over the past decade. In the early days, merchants such as Dell, Best Buy and Ford established their social media presence to promote brand awareness and to speak directly to their customers. These companies were early adopters of the new technology and realized that their customers were giving them valuable information and insights into their business which could then be used to improve their products and services.

Today, social media use has extended beyond consumers to include investors and the investment community who use the technology to research companies, find new opportunities and make investment decisions. According to the Brunswick Group, investors and analysts said social media prompted 47% of respondents to research an investment further, 20% of respondents indicated that social media use led to an investment decision, and 63% of respondents expect social media to play an increasingly important role in future investment decisions.

In a review of public companies in Canada, Caroline Clapham of Fasken Martineau found that natural resource firms are leading the social media charge. Based on information compiled from public data in June 2011, over 75% of all publicly-listed firms employing social media are resource-based companies. Major miners and junior exploration companies are among those embracing social media and using it to disseminate information, build corporate reputations and reach out to a larger audience including stakeholders and media.

The way information is being accessed now is different from even a few years ago. The 2011 Oriella Digital Journalism Study revealed that 47% of journalists will use Twitter as a source for a story. Companies without a Twitter account might be missing out on opportunities for greater exposure as well as connecting to their key audience. The micro-blogging site sends out "tweets", which are messages limited to 140 characters, a direct method of communications compared to more static channels like corporate websites that require people to visit to find information.

Social media and networking use are growing in North America. The Pew Internet and American Life Project found that overall social networking usage has nearly doubled from 2008 to 2010. In 2008, 26% of adults were using a social networking site whereas 47% of adults were using one in 2010. In Canada, a recent Ipsos' report supported the trend, with findings that 50% of Canadians now have a social networking profile. In addition, the report shows that while social networking is still dominated by the 18-34 age group (86%), social media use has grown in the 35-54 age (62%) and 55+ age (43%) categories. The frequency with which Canadians are using social networks is also growing, with 46% of users visiting a social networking site at least once a week. At a global level, social media was used to galvanize people in the Middle East earlier this year, uniting political activists with like-minded citizens whose organized protests toppled long-term governments.

The emerging trends in social media and the web include a focus on connecting with people as well as information. Mobile or location-based websites, such as Foursquare and Gowalla, allow users to "check-in" to places that they are frequenting at the moment, alerting their network to their coordinates in real time. Other trends include new social networking platforms, like Google+, that have the potential to grow the user base and provide an alternative to established leaders such as Facebook and LinkedIn.

This isn't to say that everyone has to go out and buy the latest telephone or communications device to stay abreast of our activities. Twitter, Facebook, Google+ and other forms of online communications are additive, but we will always have our websites, news releases and traditional forms of communications, including telephone contact and investment seminars/conferences which we attend throughout the year.

Happy holidays to all.

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