

**ENERGY, MINES & RESOURCES MINISTER ARCHIE LANG
SPEAKING POINTS**

**MINERAL EXPLORATION ROUNDUP –
YUKON GOVERNMENT RECEPTION**

Monday, January 24, 5:00 to 7:00 p.m.
Landmark Empire Hotel, Crystal Ballroom, 00 Robson Street, Vancouver

Check Against Delivery

Introduction

Good evening everyone and thank you for taking the time to join us this evening.

As the Premier stated, exploration and mining is rebounding in the Yukon;

For example during 2004:

- Exploration spending rose to \$22 million, a 170 per cent increase.
- Drilling activity has doubled.
- Over 9,000 new mineral claims were staked. A 250 + per cent increase.
- And, all indications point to a banner year in 2005.

The mining industry is returning to Yukon and that is good news for the Yukon, B.C., and Canada.

Premier Fentie also noted how we are committed to improving our regulatory processes to make it easier for you to work here.

Both he and Minister Kenyon talked about the **Yukon Advantage** and why it is a good time for you to think about investing in the territory.

I want to support that theme by highlighting some of the mining related initiatives in progress. Initiatives that will demonstrate the positive changes we are able to implement as a result of controlling our own natural resources.

- We have created a **new project management process** to support companies in their efforts to secure permits for major mine proposals.
- The work is headed up by a committee of Deputy Ministers.
- Each project is assigned a coordinator, whose primary role is to work closely with the companies to provide advice and help them through the regulatory regime.

This new project management process is part of the government's **Integrated Resource Management** approach to our decision making processes. It will result in a more streamlined process.

- IRM is an internal government initiative to establish clearer and more efficient collaboration between Yukon government departments.
- It will establish a solid base for future decision making under the Yukon Environmental and Socio-economic Assessment Act, whereby departments will issue a single decision document for a development project.
- It will also ensure that overall resource values are considered before a decision is made.

We have initiated this process for **two projects**: Yukon Zinc's Wolverine Mine proposal; and Western Silver's Carmacks Copper project.

- **Yukon Zinc** is proceeding with a major exploration effort to further delineate its reserve base and complete project feasibility.

- For **Western Silver**, we are developing a project agreement and have established performance objectives for this project.
- We are demonstrating how our jurisdiction is ready and able to efficiently permit a mine. We are taking steps to ensure that mineral development is able to be a key contributor to a prosperous and competitive Yukon economy.

Other initiatives

In addition, our government in partnership with the Yukon Chamber of Mines formed a **Mineral Rights Task Force** last year. This group is investigating ways to make administrative improvements to the issuance of mineral rights. In particular it's looking at how we can:

- improve the accuracy and format of our claim maps;
and
- make mineral rights information more widely available over the internet.

Many jurisdictions in Canada have implemented **map staking systems**. We are monitoring the rollout in BC and will be working with Yukon's mining community to decide

whether to establish a map staking system for our jurisdiction.

Significant progress has been made on **developing a reclamation and closure policy** for new mines.

- We expect the policy and associated guidelines will be complete this spring.
- It will play an important role in our commitments to: create additional certainty for the mining industry; develop a successful permitting regime; and encourage new investment.

Along with industry and other levels of government significant progress has been made on developing a **new Yukon Placer Authorization**.

As well we have made progress on workable thresholds for grassroots exploration that will be subject to YESAA reviews.

We are working towards **rebuilding a skilled labour** force for the mineral industry.

- Although the Yukon has the most highly educated labour force in Canada, we want Yukoners to be trained in modern exploration and mining techniques.

Therefore, for the second year we are offering an **exploration training** program and a **drill helper training** program.

Furthermore, to address a potential shortage of skilled workers arising from new mine developments, we are looking at the feasibility of a **Mine Training Program**.

We are also continuing the **Yukon Mineral Exploration Tax Credit** and the **Yukon Mining Incentives Program**.

Last year we extended the tax credit program to 2007. This program has been very well received by the industry. It provides a 25% non-refundable tax credit for qualifying exploration expenditures.

We are also pressing the federal government to continue **Flow Through shares** and consider an **expanded definition of eligible expenses under the Canadian Exploration Expense** in order to be more responsive to the front end cost of doing business in the north.

The **Mining Incentives Program** has leveraged impressive investments in the territory's world class deposits. Over the last two decades, the government has invested about \$1

million in 40 properties, some of which have proceeded to advanced exploration. This has resulted in an industry investment of approximately \$20 million.

And we continue to support the activities of prospectors and grassroots exploration that will continue to serve us well in the future.

We also continue to support the important **work of our Yukon Geological Survey** in gathering and providing information about the geology and mineral deposits of Yukon.

- Last year the Fraser Institute noted that compared to other Canadian jurisdictions the Yukon's provision of a quality geological database performance was above average and significantly outperformed Alaska.
- Our team of highly qualified geoscientists continues to carry out excellence in field research and mapping.

Our goal is, to provide quality geoscientific information to the industry.

- To further improve these efforts, the Yukon Geological Survey will become a stand-alone branch with its own Director.

- This reflects the support and attention our government is placing on new mandate of the Survey, which now includes responsibilities for hydrocarbon and environmental geology.
- Industry asked us to do this and we have responded.

In closing I want to encourage everyone to visit our information booths in the pre-function area and in the Oak Room across from the talks.

Check out our latest field research and posters, and the excellent work of the Yukon Geological Survey.

I'd like to invite everyone to Yukon Night later this evening. We are co-hosting Yukon Night with the Yukon Chamber of Mines. Drop by for some complimentary Yukon beer and moose milk. Thank you and have a great Roundup.