



Honourable Richard Neufeld

Honourable Pat Bell

BC's MINING UPDATE

Restoring British Columbia's Mining Sector

MARCH 2005

From the Desk of Pat Bell

The Fraser Institutes Annual Survey of Mining 2004/05 was publicly released this past week. The survey reflected improvement in all three policy areas for British Columbia, Policy, Mineral and Best Practices Potential. However, it did conclude that the negative attitude towards mining from previous governments continue to have an impact on investors today, who still exercise caution when considering where to spend their exploration dollars. But, the future looks bright as this year's edition marked the first time in the history of the survey that British Columbia moved up out of the bottom ten jurisdictions.

A survey of this nature can be a valuable tool for government, providing insight into the opinions of mining industry decision makers around the world. It is important to note that the opinions expressed in this publication are almost a year old, due to the fact that fieldwork was conducted in the summer of 2004. Since that time, the provincial government has moved forward on several fronts to improve investor relations and create a viable and healthy investment climate. We released the Mining Plan, implemented the Mineral Titles Online staking system, provided a \$25 million dollar grant to the BCYCM for the purpose of establishing Geoscience BC, which, along with the latest PDAC convention in Toronto – where investors were buzzing about BC potential – are all very positive initiatives and indicators that will certainly raise BC's ranking even higher next year.

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Coal Discovery Trail Connects Past, Present and Future

SPARWOOD – The mining industry has experienced a tremendous resurgence, and the return of coal as a key industry in B.C. has produced a high need for employees, resulting in the creation of a new recruitment office, community support for an interpretive centre, and a historic hiking trail connecting Fernie to Sparwood.

With the increase in coal prices and sales, and high demand, the Elk Valley Coal Corporation – the second largest coal mining operation in the world, and the largest in Canada – has opened a new recruiting office near Sparwood. The idea was to simplify job application procedures for all five mining sites (Elkview, Fording River, Greenhills, Line Creek and Coal Mountain) as well as the prospective employees. Elk Valley Coal anticipates hiring over 150 new employees this year. The recruitment office centre is open Monday to Friday from 8 am to 4 pm, at 1-250-425-8800.

“Elk Valley saw the need to simplify the hiring process, both for people looking for work, and for the company to efficiently streamline recruiting activities,” said Dave Milne, Elk Valley's new recruitment officer. “My position was created explicitly for this reason.”

The Elk Valley Coal Discovery Centre, a regional interpretive centre will be an educational showcase and dynamic place of learning, illustrating the importance of coal mining. The Centre will highlight the



SPARWOOD - Minister Pat Bell (far right) is joined by Elk Valley Coal Corporation President and CEO Jim Popowich (left) Cranbrook MLA Bill Bennet (2nd from left) and Coal Discovery Centre Chair Cindy Gallinger at the announcement of the recruitment centre's official opening on February 23, 2005 in Sparwood.

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EXPLORATION AND MINING IS BACK IN BC.

Mineral Exploration Investment has quadrupled over the past 3 years.

The latest number for mineral expenditures and industry investment for 2004 is over \$130 million. Mining contributes about \$100 million in direct revenues to the province.

There were over 470 major exploration projects underway in 2004, up 88% from 2003, with over 20 significant projects in advanced exploration and development and 13 in the provincial environmental assessment process.

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The survey re-affirms the province's significant mineral potential and indicates that current policy initiatives designed to improve global competitiveness are working. The world is starting to stand up and take notice of the many advantages we have in BC.

For more information on the Fraser Institutes Report, please see the attached link <http://www.fraserinstitute.ca/>

Pat Bell Minister of State for Mining

To respond to this newsletter, or for more information, please e-mail:



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history of coal, from its geological beginnings to the high-tech industry it is today. The \$10 million project, to be built on land donated from Elkview Coal Corporation, is a testament to the widespread interest in mining from regional municipalities, local businesses, industry, and heritage societies. The College of the Rockies has expressed an interest in re-locating their Sparwood campus to the Discovery Centre. Plans are underway for a Community Open House April 7 and a fundraising reception April 8.

Not far from where the Elk Valley Coal Discovery Centre is planned in Sparwood, is the new Coal Discovery Trail, a 30 km trail stretching between Sparwood and Fernie, which opened last September. The construction of the Coal Trail project provided work experience for over a dozen people, while benefiting the local economic/tourism development of Sparwood, Hosmer and Fernie. The Coal Trail is one of the first projects for the Elk Valley Coal Discovery Centre, for more information call 1-250-865-5103.

Energy and Mines Budget Doubles

Due to the dramatic increase in mineral exploration and mining development across British Columbia, the provincial government is providing a \$4.74 million budget increase this year to ensure customer service levels are maintained and environmental standards are preserved.

"The activity that we are currently seeing in the BC's mining sector is the best in over a decade," said Minister of State for Mining Pat Bell. "We need to ensure that permits are being processed in a timely fashion and the health and safety standards continue to be upheld. The changes that we have made to re-energize the mining industry have brought about an increased interest in BC and it is now our job to make sure we facilitate that investment in an expeditious manner"

The budget increase will be used to better serve clients and the public out in the regions that need it the most. The individual regional offices, including Smithers, Cranbrook, Prince George and Kamloops, will be able to best determine where and how the funding should be spent. Half of the funding will be used towards geoscience, and the balance will be focused on working with communities, industry and First Nations.

DID YOU KNOW?

Coal Production Up- BC coal mines increased their output by 17% over last year to produce just over 27 million tones of coal in 2004, the best production in over a decade.