



BC's MINING UPDATE

Honourable Richard Neufeld

Honourable Pat Bell

Restoring British Columbia's Mining Sector

OCTOBER 2004

From the Desk of Pat Bell

Events over the past couple months have me genuinely excited about the prospects of coal producers in our province. Production is up and exploration activity is growing, with nearly 100,000 hectares in new coal licences applied for over the last year. There is tremendous optimism for the future of the industry and our province.

What a difference a few years can make. China, a traditional exporter of natural resources, is now the second largest importer of oil and largest importer of steel, copper, cement and now, coal. For many producers, the demand in China is not only presenting new opportunities, but also freeing up market share in traditional markets.

This was a consistent message that I heard while attending the annual Canadian Conference on Coal. We also had a great chance to meet with industry leaders, to learn more about the overall operation of the coal industry and to deliver the message that BC is once again an attractive jurisdiction for investment and development of our coal resources.

The coal industry already provides BC with 2,428 jobs and generates 36 per cent of Canada's coal production. It is our intention to grow the industry, to create more jobs and increase our share of national production.

NEW COAL MINE MAKES HISTORIC SHIPMENT



Coal from Pine Valley Mining Corporation's Willow Creek Mine was shipped from Neptune Terminals in North Vancouver, as seen from the air.

The first new metallurgical coal mine in BC in almost twenty years recently made its inaugural shipment to Asia.

Pine Valley Mining Corporation announced the opening of commercial-scale production at its Willow Creek mine in July. On September 23, a ceremony with Pine Valley Mining at Neptune Terminals in North Vancouver celebrated the shipment of approximately 37,000 tonnes of PCI (pulverized coal injection) to Posco, Korea, the world's leading steel producer. (The coal-encumbered ship was not on site, having departed for its destination two days previously – definitely a sign of the high demand for BC coal!)

"I congratulate Pine Valley Mining Corporation," said Minister of State for Mining Pat Bell, who attended the event. "My government has been working hard to develop a policy and regulatory environment that makes B.C. an attractive jurisdiction for a thriving coal industry, and that work is beginning to pay off. Amendments to the Coal Act and Mineral Tenure Act alone have resulted in an overall reduction of 105 regulatory requirements resulting in a more streamlined regulatory environment to support the growing mining industry. We have 21 per cent of market share worldwide of metallurgical coal and we want that to grow."



MINERAL TITLES ONLINE (MTO)

Tutorials available online now

Just visit our website at <http://www.em.gov.bc.ca/subwebs/mtonline/Tutorial/Tutorial.asp>

MTO is an Internet-based title administration system. It will benefit miners and prospectors by enabling them to view up-to-date electronic maps of the province on the Internet and to acquire secure tenure by selecting the desired cells from a grid on the digital map. MTO is scheduled for launch early in 2005.

**Important Reminder —
Ground staking in BC will end on
November 30, 2004**

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BRITISH
COLUMBIA

Minister of State for Mining

MINING VIDEO EDUCATES COMMUNITIES, ENCOURAGES INDUSTRY TO REDISCOVER BC

The BC government is developing a new video as a tool to educate the public about the role of mining and minerals in their community. This video will also be available to the mining industry as they promote their projects and BC's mineral wealth to investors around the globe. To be released later this fall, the video will be a key way government will encourage the rediscovery of BC as a destination for mining investment.

"The first step was to create a globally competitive jurisdiction," said Minister of State Pat Bell. "The second is to tell communities and investors about the positive changes - including taxation and regulatory changes, we have made."

Mining is an industry spread virtually throughout BC. The video will be available to communities, media, educational institutions and others to tell the story of today's mining in BC. The video will be made available online and copies will be sent out to mining companies for use as part of their presentation material to potential investors.

"While the changes we have made are starting to pay off, worldwide perception still remains a hurdle," said Bell. "The 1990's were not kind to the mining industry in BC and we still have some work to do when it comes to convincing industry that we welcome them in our province. This video will help us do that."



Minister Pat Bell (left) visits Galore Creek gold-silver-copper project, near Stewart BC with mining video videographer Nick Chevrefils