



Mineral Exploration Challenges and Opportunities

Minerals North

Thursday, April 27, 2006

Dan M. Jepsen, RPF

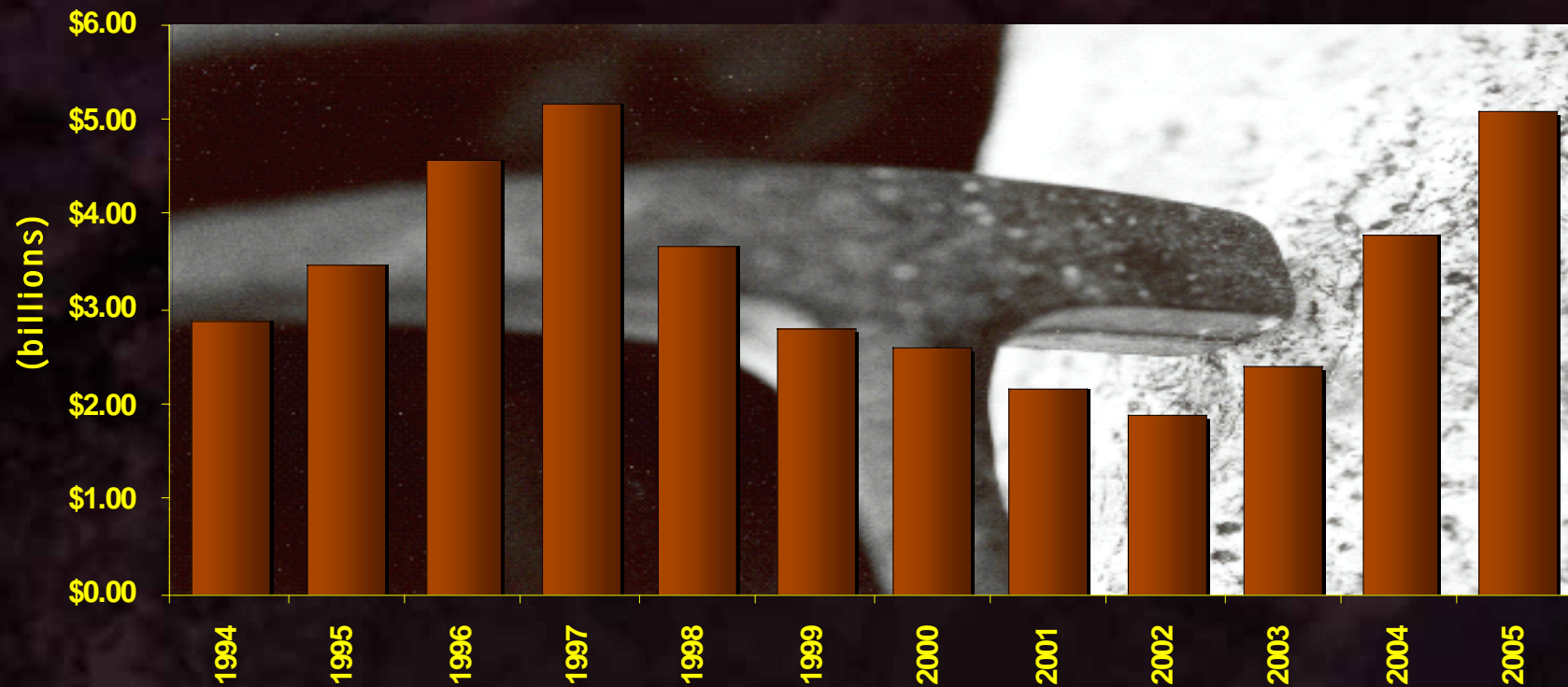
President & CEO

**Association for Mineral Exploration British Columbia
(AME BC)**



- Over 3,700 individual and corporate members
- Roundup 2006 – 5,400 participants
- Formed in Vancouver in 1912
- Volunteer non-profit association

Worldwide Exploration Expenditures



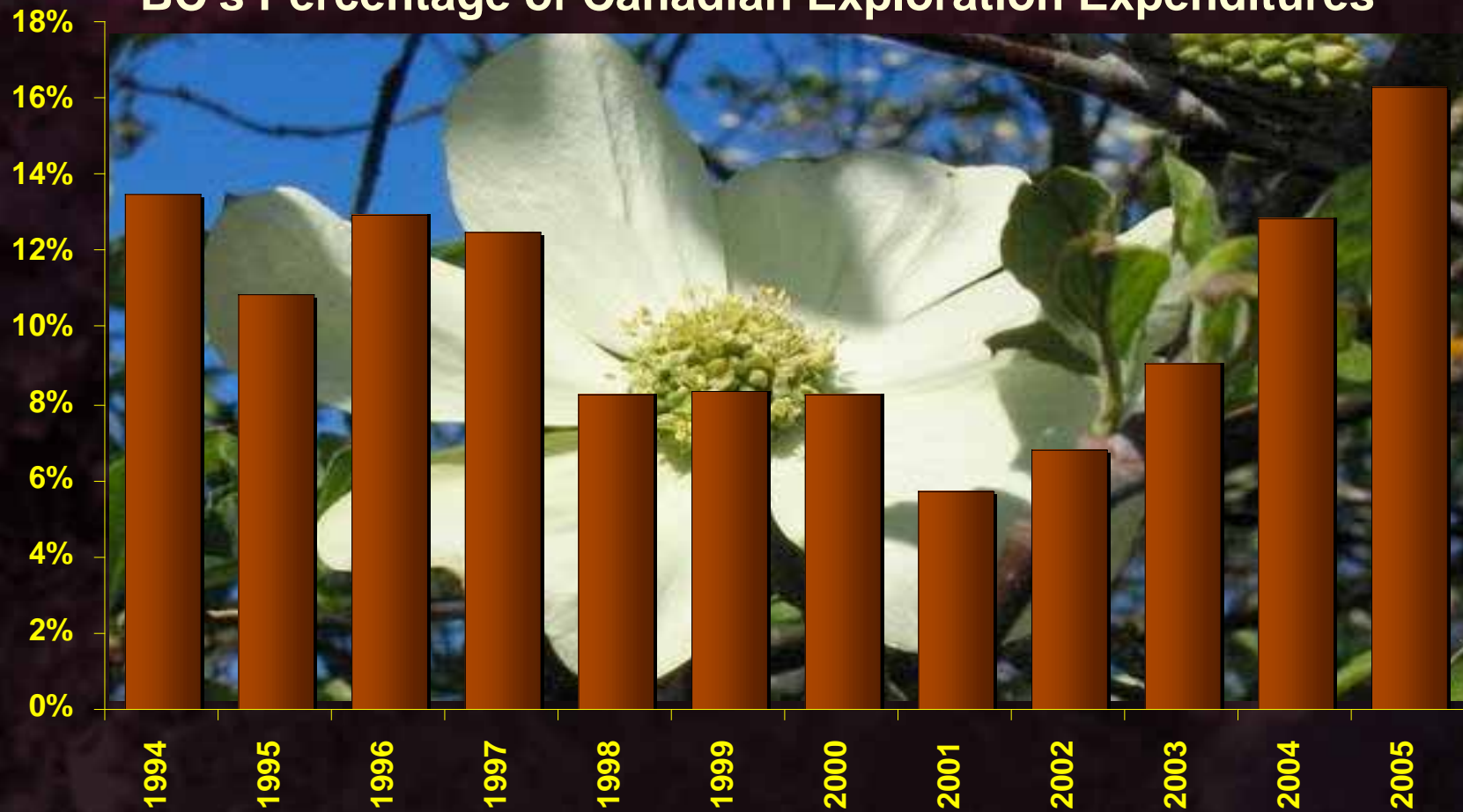
Courtesy: Metals Economic Group

BC Exploration Expenditures



Courtesy: NRCAN, BC Ministry of Energy, Mines and Petroleum Resources

BC's Percentage of Canadian Exploration Expenditures



Courtesy: NRCAN, BC Ministry of Energy, Mines and Petroleum Resources



Commodity Prices (US\$)

	2001	2006	% increase
Gold (oz.)	\$263	\$636	142%
Copper (lb.)	\$0.75	\$3.25	333%
Molybdenum (lb.)	\$1.75	\$24.00	1271%
Silver (oz.)	\$4.07	\$14.31	252%
Coal (metallurgical/ton)	\$50	\$125	150%
Zinc (lb.)	\$0.42	\$1.53	264%

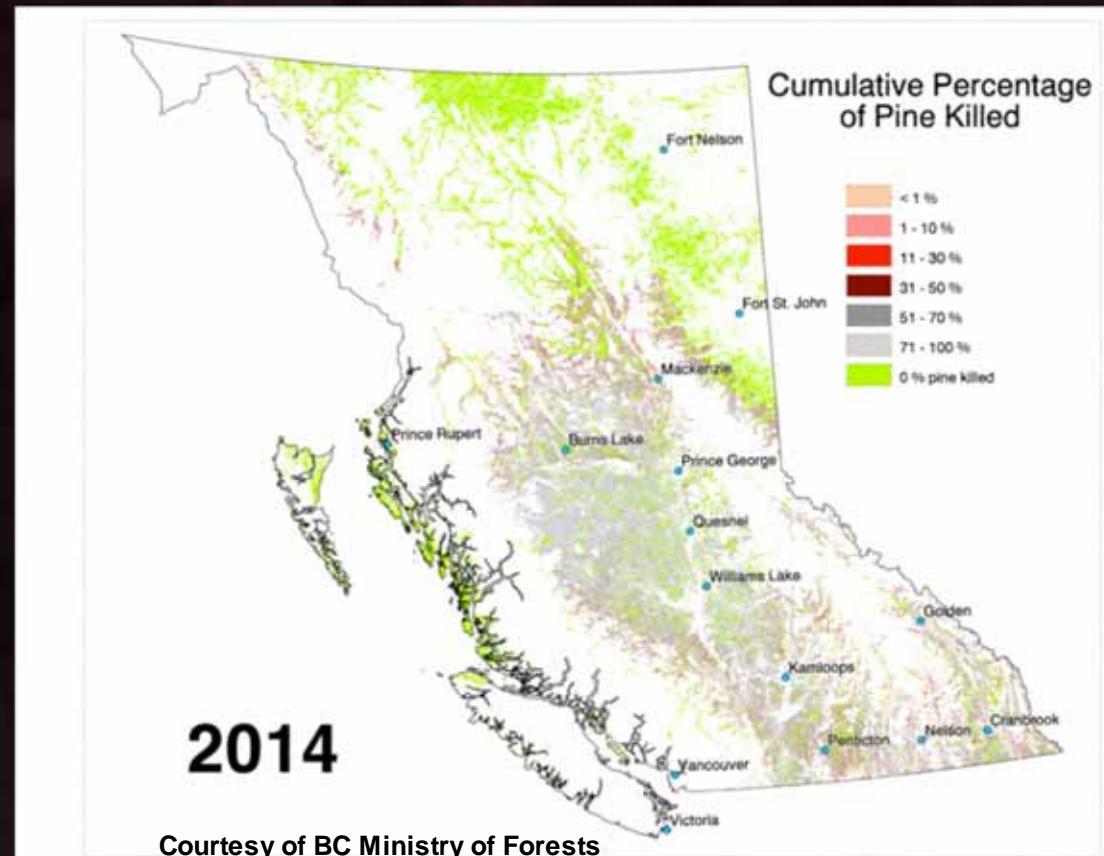


Top 5 Issues

1. Mineral Reserves
2. Infrastructure
3. Streamlining Regulations
4. Aboriginal Benefits from Mineral Exploration and Mining
5. Education and Marketing

Mineral Reserves

- Promoting the importance of geoscience





Infrastructure

- Working with provincial and federal governments in consultation with First Nations and local communities to promote the importance of infrastructure investment
- Power
- Roads
- Rail



Streamlining Regulations

- Working with the provincial and federal governments to ensure the mine permitting process is transparent, efficient, and practical

BC Government

- Mining Plan
- 37% reduction in regulations
- Mineral Titles Online
- Front Counter BC
- Joint Solutions

Federal Government

- Super-flow through share extension
- Legislation review
- Reviewing tax structure – GST reduction



Aboriginal Benefits from Mineral Exploration and Mining

- Developing relationships with Aboriginal communities that bring certainty to First Nations and the business community
- Increase respect and cooperation between First Nations and the mining sector
- Increase cultural understanding between First Nations and the mining sector
- Increase First Nations awareness of mining



Education and Marketing

- Promoting careers in mineral exploration and mining to address the aging workforce
- Up to 81,000 workers needed over the next 10 years
- Majority of workers over 40 years old – 64% percent of personnel surveyed born between 1945 and 1964
- 40% of personnel across Canada plan to retire within 10 years



Opportunities: BC's Competitive Advantage

- ✓ Proven mineral potential
- ✓ Expertise in geosciences, exploration & mine development
- ✓ Rail, road & port infrastructure
- ✓ Skilled mining workforce
- ✓ Low cost power
- ✓ Streamlined permitting
- ✓ Competitive tax structure



- Over 4.8 million hectares of mineral tenure staking in 2005, up over 340% from 2004
- BC flow-through tax credit program extended through 2008, with commitment through 2016
- Regulations streamlined – down 37% since 2001
- Fraser Institute trend: 23rd out of 64, up from 44th out of 47 in 2002/03.



- BC companies raise over 50% of global mineral exploration financing
- Over 850 companies call Vancouver home
- Over 700 consultants and suppliers throughout BC
- 24 mining projects under review; only one in 1999
- Commitment of \$25 million to fund “**Geoscience BC**”



LEADERSHIP

PARTNERSHIPS

ADVOCACY



Leadership

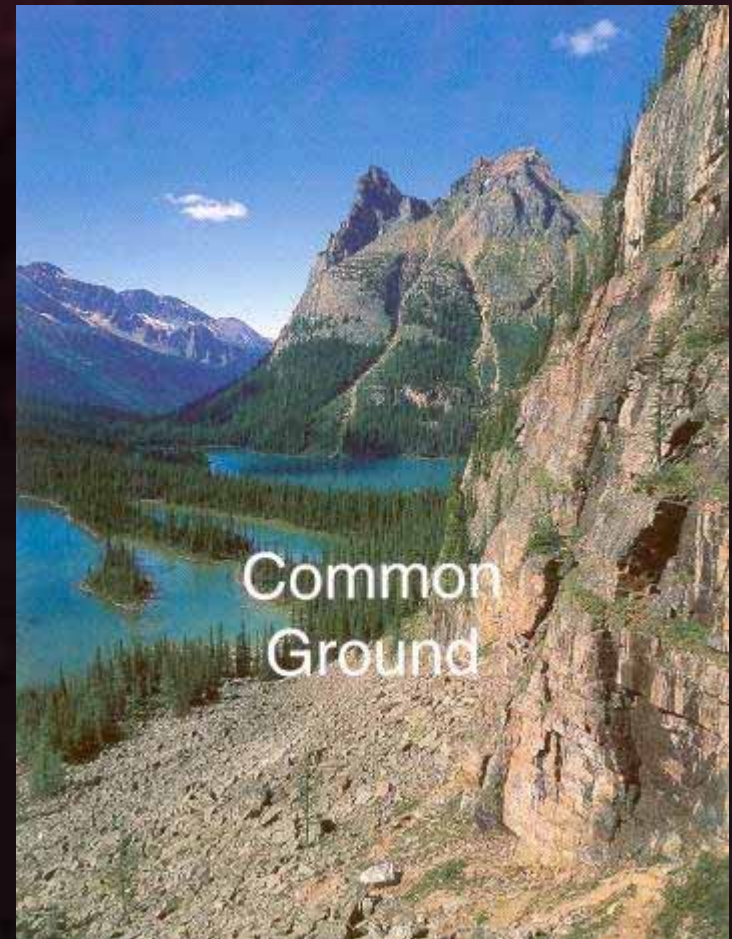
- Mineral Exploration Roundup
- Land Use & Access
- Communications
- First Nations Relations
- Health & Safety
- Government Relations





Partnerships

- Joint Solutions Workshops
- Council of Tourism Associations and Mining Association of BC MOU – 2004
- Guide Outfitters Association of BC and BC Trappers Association MOU – 2006?
- First Nations MOUs
- Joint Exploration Safety Initiative with PDAC





Advocacy

New Relationship with Governments

- New approach to land use engagement
- Engaged in creation of provincial government's *BC Mining Plan*
- Outreach to all levels of government
- Participation in Mines Ministers Conference





Advocacy

Geoscience

- *Rocks to Riches Program* - \$1.168 million funded by government
- *Geoscience BC* - \$25 million grant announced by Premier Campbell at Roundup 2005



'Lyn Anglin, PhD
President & CEO



Advocacy

Promoting the BC Advantage

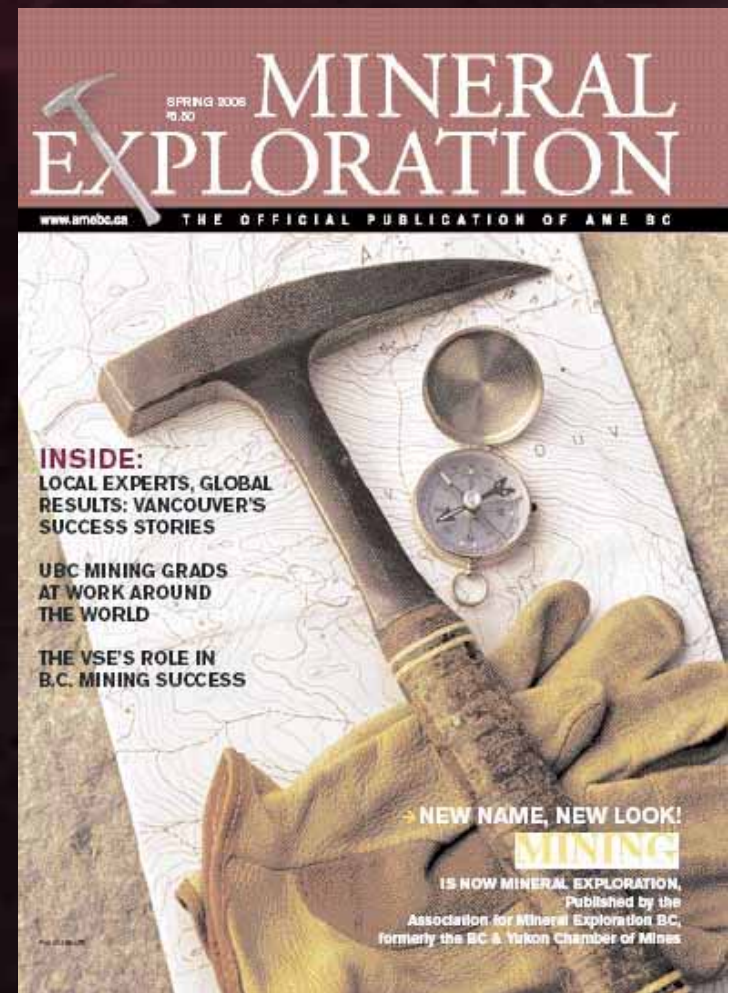
- Great geology
- MTO – state of the art mineral tenure acquisition
- Publicly available geoscience data
- Exploration Tax Incentives
- Provincial government support
- Online permitting in the works
- Reduction in regulations
- Trade Missions



Advocacy

Member Communications

- Formal Communications Plan
- Redesigned and relaunched website
- *Mineral Exploration* magazine



Advocacy

Member Communications

- *Mineral Exploration Magazine*
- *AME BC News* newsletter
- *Annual Report*
- *Health and Safety Annual Report*
- *Super Flow-Through Shares*
- *Geoscience and Rocks-to-Riches*
- *Good News in BC 2006*
- *Stepping Stone*



Sharing Knowledge, Sharing Respect: First Nations Involvement in Mining

Greetings and welcome to the Inaugural Issue of *Stepping Stone*.

It is clear that times are changing.

First Nations and mining companies are finding new ways of working together.

Mining companies are recognizing the importance of having First Nations as a working partner, and also the strong base of employment that First Nations communities can provide as part of these projects. A recent announcement from the provincial government to provide \$2.3 million dollars towards mining-trades training and capacity building for rural and First Nations communities underlines this trend.

Efforts from AME BC to increase positive communications between First Nations and companies are also highlighted in this issue (see: AME BC's "10 Principles for Sustainable Relationships between the Mineral Sector and First Nations," along with an article on a new Guidebook for Relationships With First Nations).

A recent Roundtable on environmental assessment highlighted this willingness to work together, and recognized the important place of First Nations in future mining projects. The Roundtable was sponsored by the Mining Association of British Columbia, the BC Environmental Assessment Office, and the federal government; participants included AME BC, federal and provincial officials, First Nations political representation and environmental organizations.

Recent statements from the Mining Association of British Columbia supporting the New Relationship with First Nations, confirm industry's recognition of the need for change.



Leony Agui (Chief of the Tahltan First Nation), Rick Van Nieuwenhuysen (President and CEO of NovaGold), Curtis Kurlway (Chair of the Tahltan Central Council), and Marie Gaudet (Chief of the local First Nations). The marker is a ceremonial wall hanging that will stay in Tahltan traditional Territory and hang at the Galore Creek Property during the life of the mine. The phrase "Working together to be done later this" means "Working together to be the best we can be."

Companies and First Nations are also starting to develop Impact Benefits Agreements that increase Aboriginal involvement in, and benefit from, mining projects. A recent example of an Impact Benefit Agreement is the new agreement between Nova Gold and the Tahltan Central Council.

Highlights of the agreement include:

- Recognition of the Tahltan's traditional rights, title and interests to the project area as well as NovaGold's rights to explore and develop mineral resources in the Galore Creek Valley.
- Mutual cooperation for completing an efficient and effective Environmental Review and Permitting Process and commitment to mitigate adverse environmental impacts caused by the mine.
- Establishment of measures and procedures that will fully engage the Tahltan in all aspects of environmental protection.
- Maximize training and employment of Tahltan members throughout the mine life and create processes for ongoing dialogue regarding advancement.
- Ensure access for Tahltan businesses to maximize business opportunities for the supply of goods and services throughout the mine life and during mine closure.



Summary

- ✓ Proven mineral potential
- ✓ Expertise in geosciences, exploration & mine development
- ✓ Rail, road & port infrastructure
- ✓ Skilled mining workforce
- ✓ Low cost power
- ✓ Streamlined permitting
- ✓ Competitive tax structure



Thank you!