

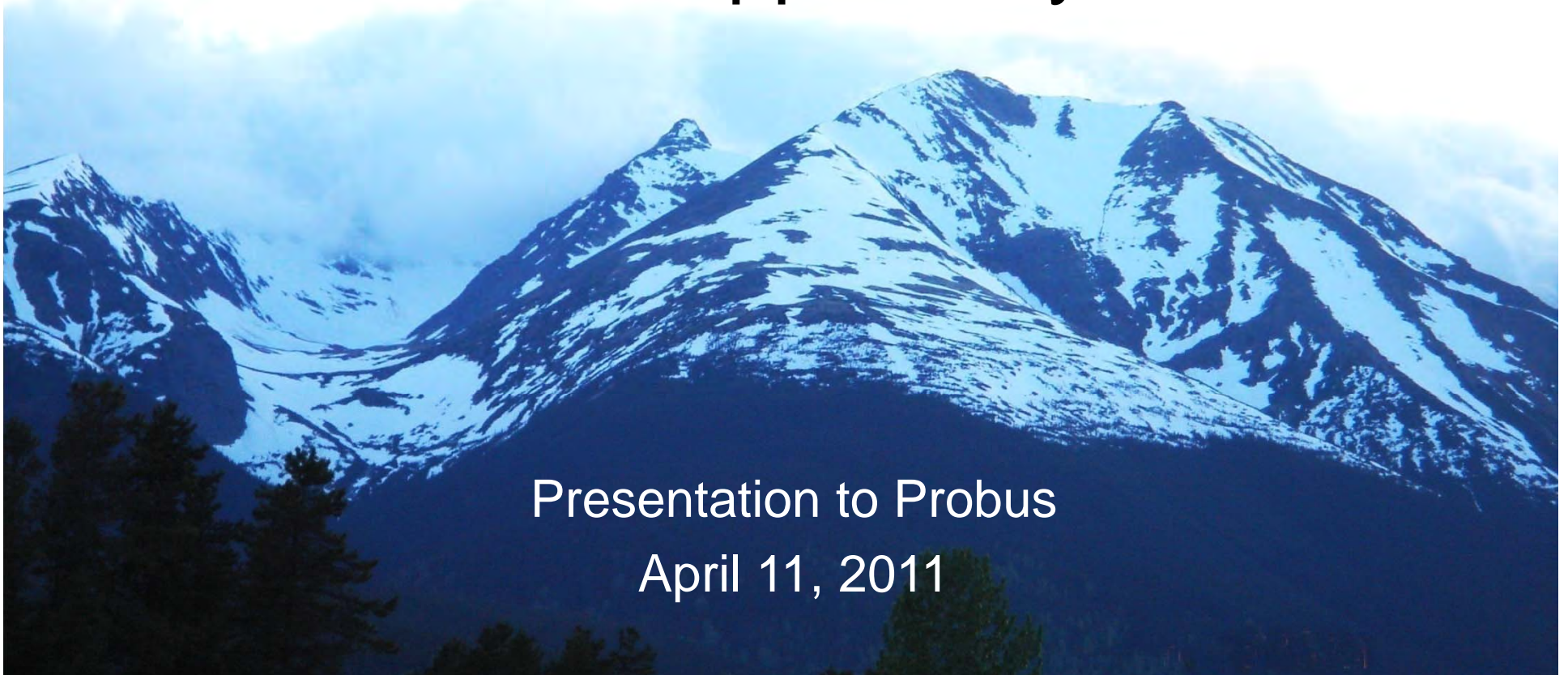
MABC

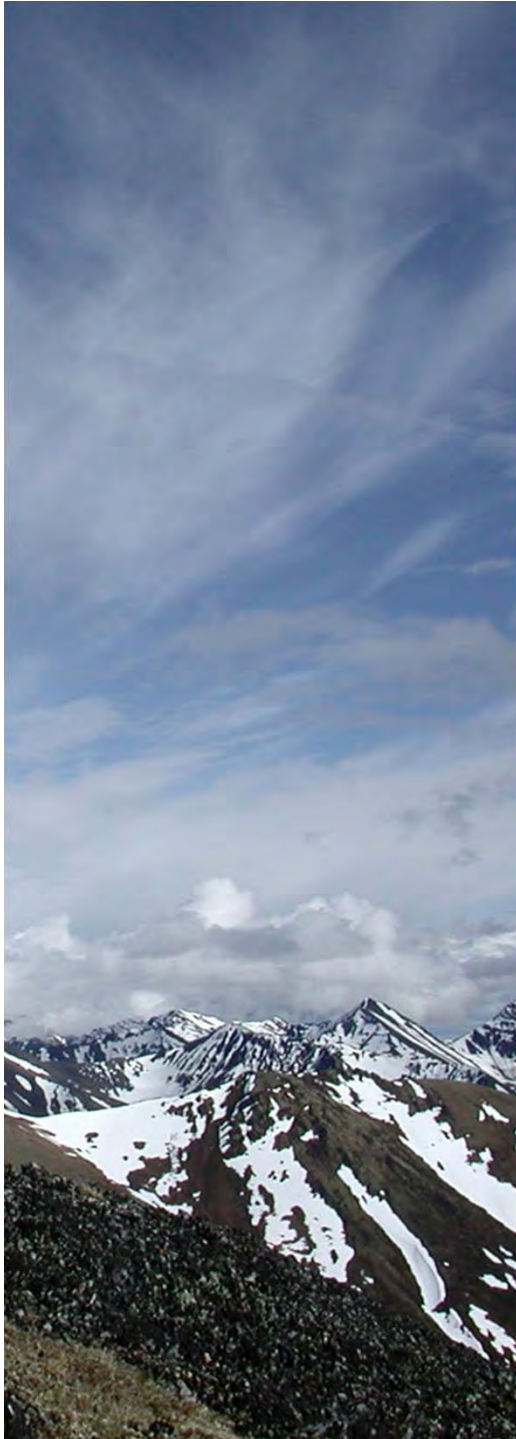
MINING ASSOCIATION OF BRITISH COLUMBIA

Mining in BC The Opportunity

Presentation to Probus

April 11, 2011





The Mining Association of BC

- Represents major producers of coal, metals and industrial minerals in BC and two smelters
- Voice of producing industry
- Alliance with Mining Suppliers Association of BC
- Adoption of Mining Association of Canada's world-leading *Towards Sustainable Mining Initiative*

Mining in BC



Red Chris

- The BC mining industry is a significant financial driver contributing over \$7 billion annually to the provincial GDP.
- 14,000 direct mining jobs, an additional 35,000 indirect jobs in supporting activities, with total inferred employment in excess of 85,000.
- 20 major mines, over 30 industrial mineral producers and 2 smelters
- Supports a substantial mining supplier business sector
- Vancouver is global centre of mineral exploration and financing expertise
- \$1 billion new mine development in 2010

MABC Membership

Members Operating in BC

Absorbent Products
Breakwater Resources
CertainTeed Gypsum
Graymont Limited
Hawthorne Gold
Hillsborough Resources
Huckleberry Mines
Imperial Metals*
Northgate Minerals *
Peace River Coal*
Rio Tinto Alcan*
Roca Mines
Taseko Mines*
Teck Resources*
Texada Quarrying
Thompson Creek Metals*
Western Coal*

* Also have advanced projects in BC

Members With Projects in BC

Avanti Mining
Bralorne Gold Mines
Capstone Mining
Canadian Dehua
Chieftain Minerals
Compliance Energy
Copper Mountain Mining
First Coal
Hard Creek Nickel
KGHM Ajax
New Gold
Nova Gold Resources
Pacific Booker Minerals
Stikine Energy



Operating Mines and Selected Major Exploration Projects in British Columbia 2009

D. Grieve, B. Madu, B. Northcote, P. Wojdak,
J. Fredericks, S. Meredith-Jones, & P. Saunders

Open File 2010-1

Mines and Quarries

- 8 Metal Mine
- 9 Coal Mine
- 36 Industrial Mineral

- 2 Metal Mine Development

Proposed Mine Developments

- 17 Metal
- 8 Coal
- 1 Industrial Mineral

Selected Major Exploration Projects

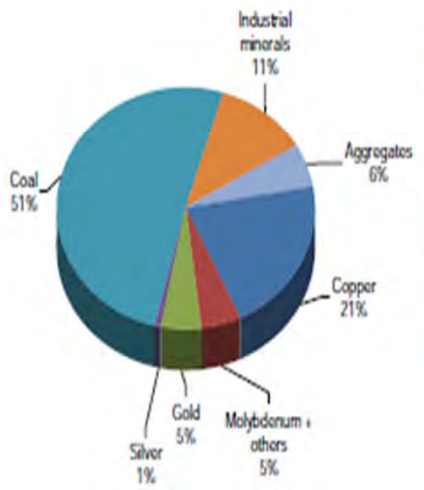
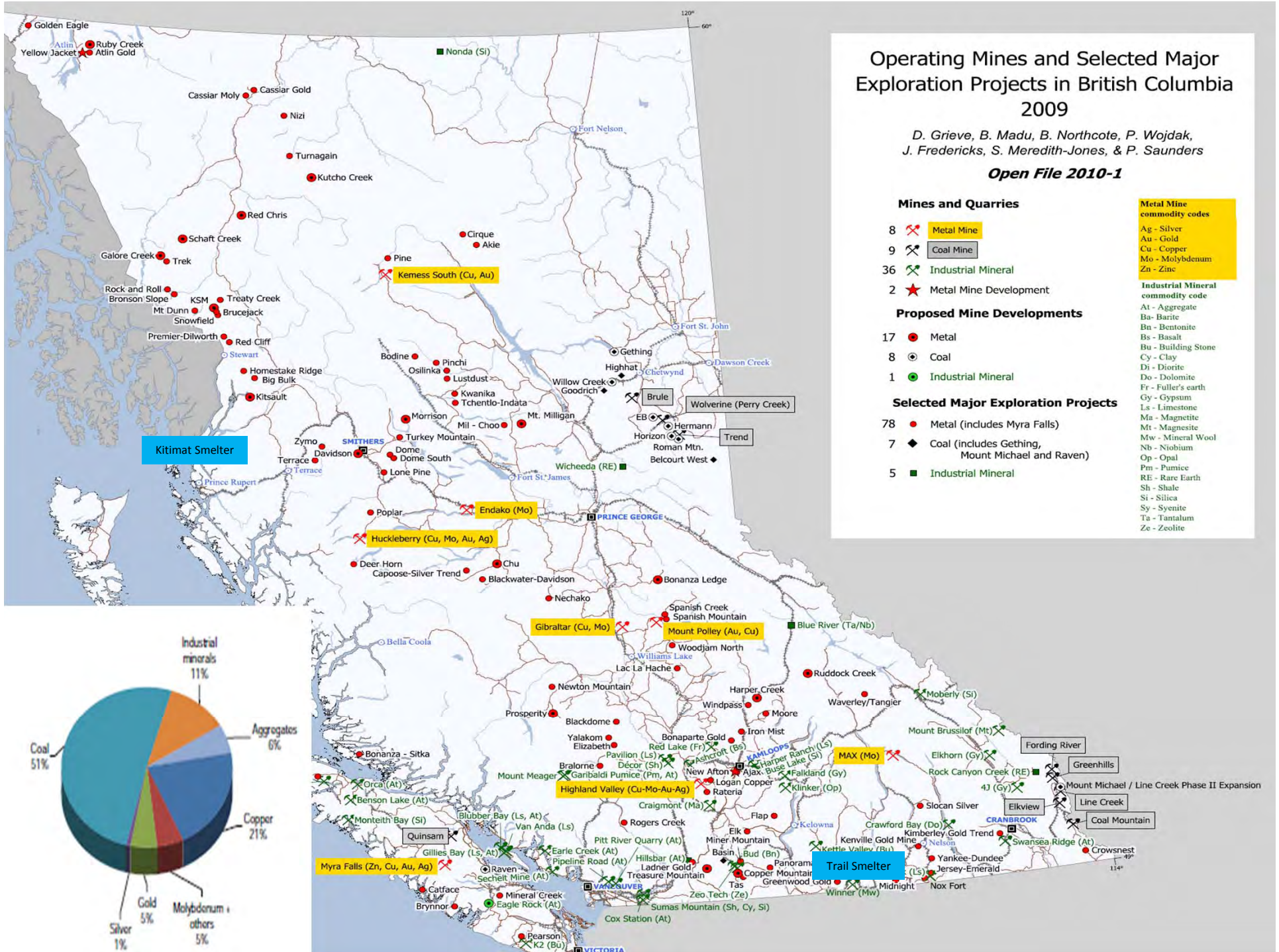
- 78 Metal (includes Myra Falls)
- 7 Coal (includes Gething, Mount Michael and Raven)
- 5 Industrial Mineral

Metal Mine commodity codes

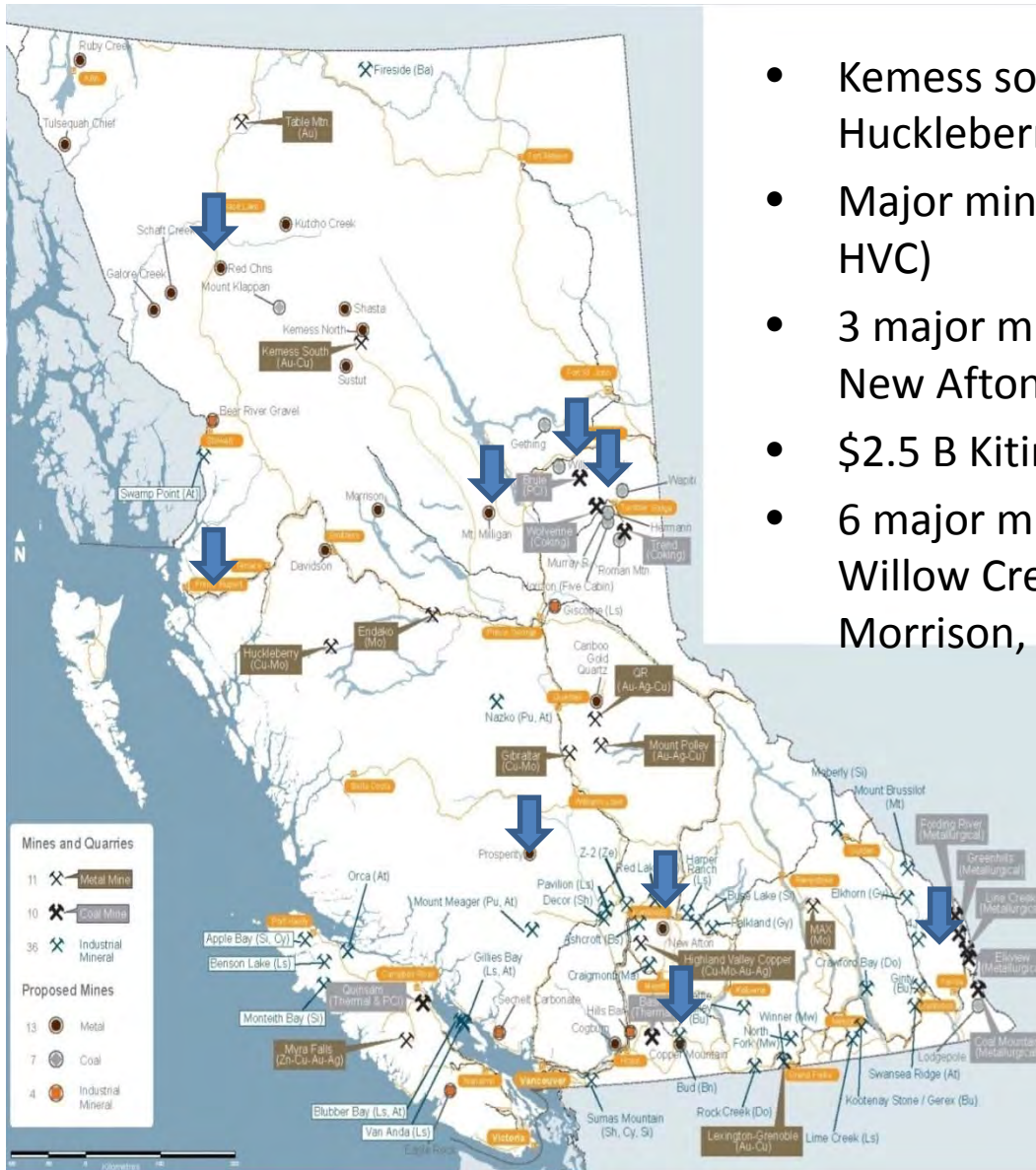
- Ag - Silver
- Au - Gold
- Cu - Copper
- Mo - Molybdenum
- Zn - Zinc

Industrial Mineral commodity code

- At - Aggregate
- Ba - Barite
- Bn - Bentonite
- Bs - Basalt
- Bu - Building Stone
- Cy - Clay
- Di - Diorite
- Do - Dolomite
- Fr - Fuller's earth
- Gy - Gypsum
- Ma - Magnetite
- Mt - Magnesite
- Mw - Mineral Wool
- Nb - Niobium
- Op - Opal
- Pm - Pumice
- RE - Rare Earth
- Sh - Shale
- Si - Silica
- Sy - Syenite
- Ta - Tantalum
- Ze - Zeolite



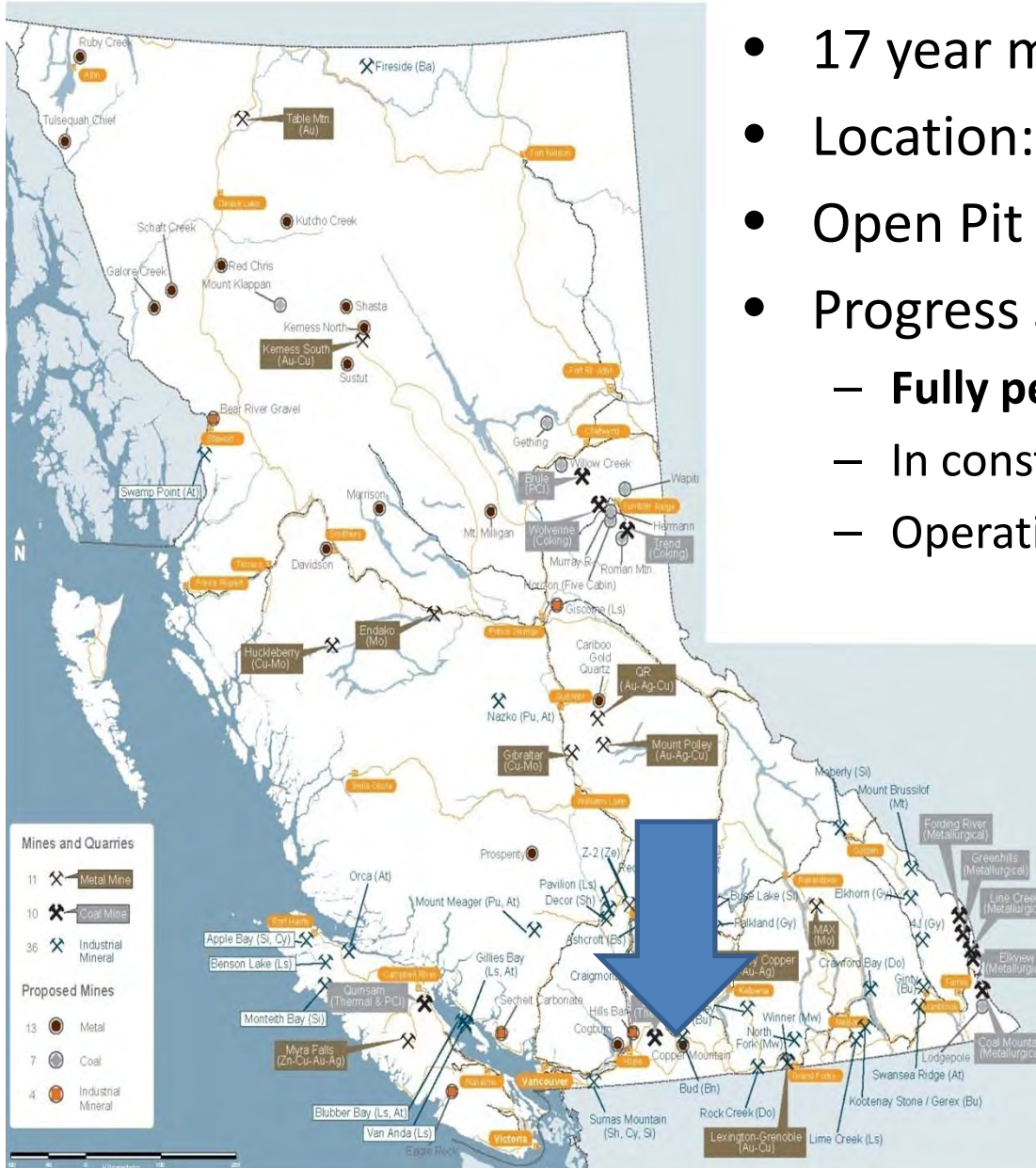
Current Status of BC Mining Industry



- Klemess south closing this quarter. Future of Huckleberry mine beyond 2012 uncertain.
- Major mine expansions (Quinsam, Endako, MAX, HVC)
- 3 major mines in construction: Copper Mountain, New Afton, Mt. Milligan
- \$2.5 B Kitimat modernization (\$300 M 2011)
- 6 major mines are in advanced development: Willow Creek, Line Creek, Red Chris, Roman, Morrison, Prosperity
 - Over 18 mining projects in earlier stages of environmental assessment
 - New mines developing in all regions of BC
 - Expanding metallurgical coal industry in northeast and southeast
 - Highway 37 power line will open up new mining opportunities for the future

Copper Mountain – Copper Mountain Mining Corp.

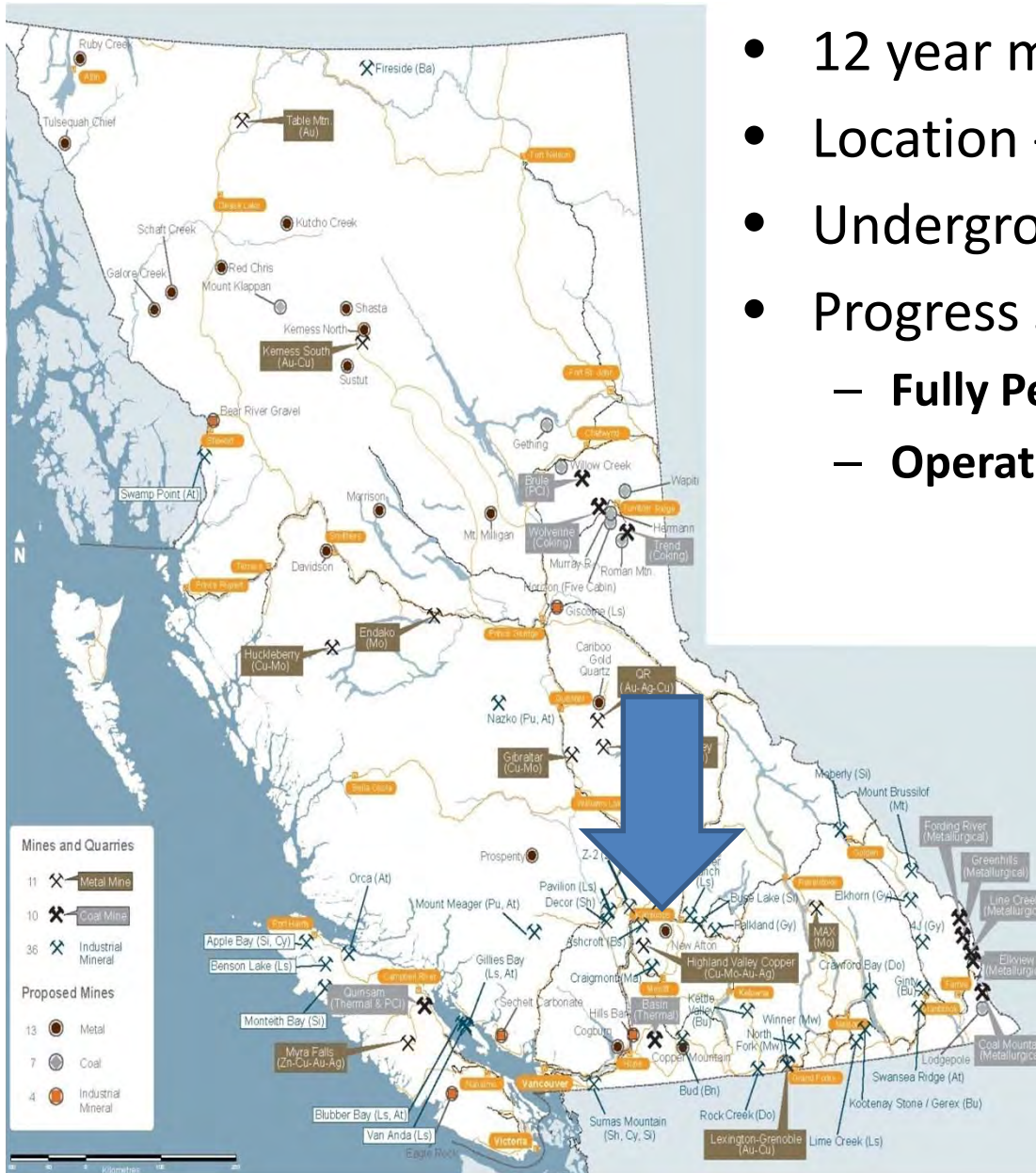
- 17 year mine life
- Location: Princeton
- Open Pit Cu/Au mine
- Progress Since 2009:
 - Fully permitted
 - In construction
 - Operations commence June 2011



- Project Benefits:
 - 275 direct operating jobs
 - \$437 million capital investment
 - AMTA Partner
 - FN revenue sharing in negotiation

New Afton – New Gold Inc.

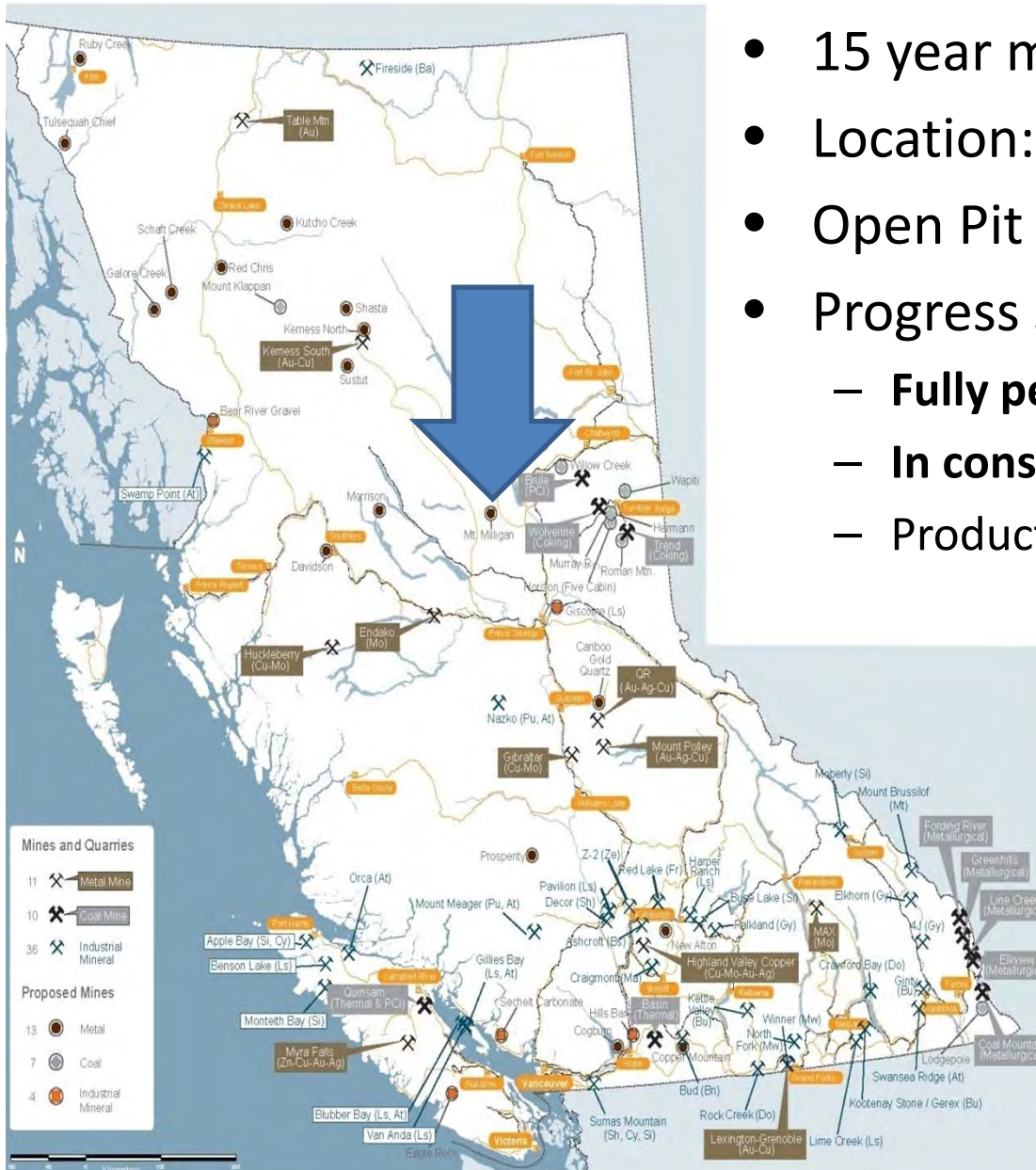
- 12 year mine life
- Location - Kamloops
- Underground Cu/Au mine
- Progress since 2009:
 - Fully Permitted
 - Operations commence Summer 2012



- Project Benefits:
 - 200 direct operating jobs
 - \$600 million capital investment
 - AMTA Partner
 - **FN Revenue sharing concluded**

Mt. Milligan – Thompson Creek Metals

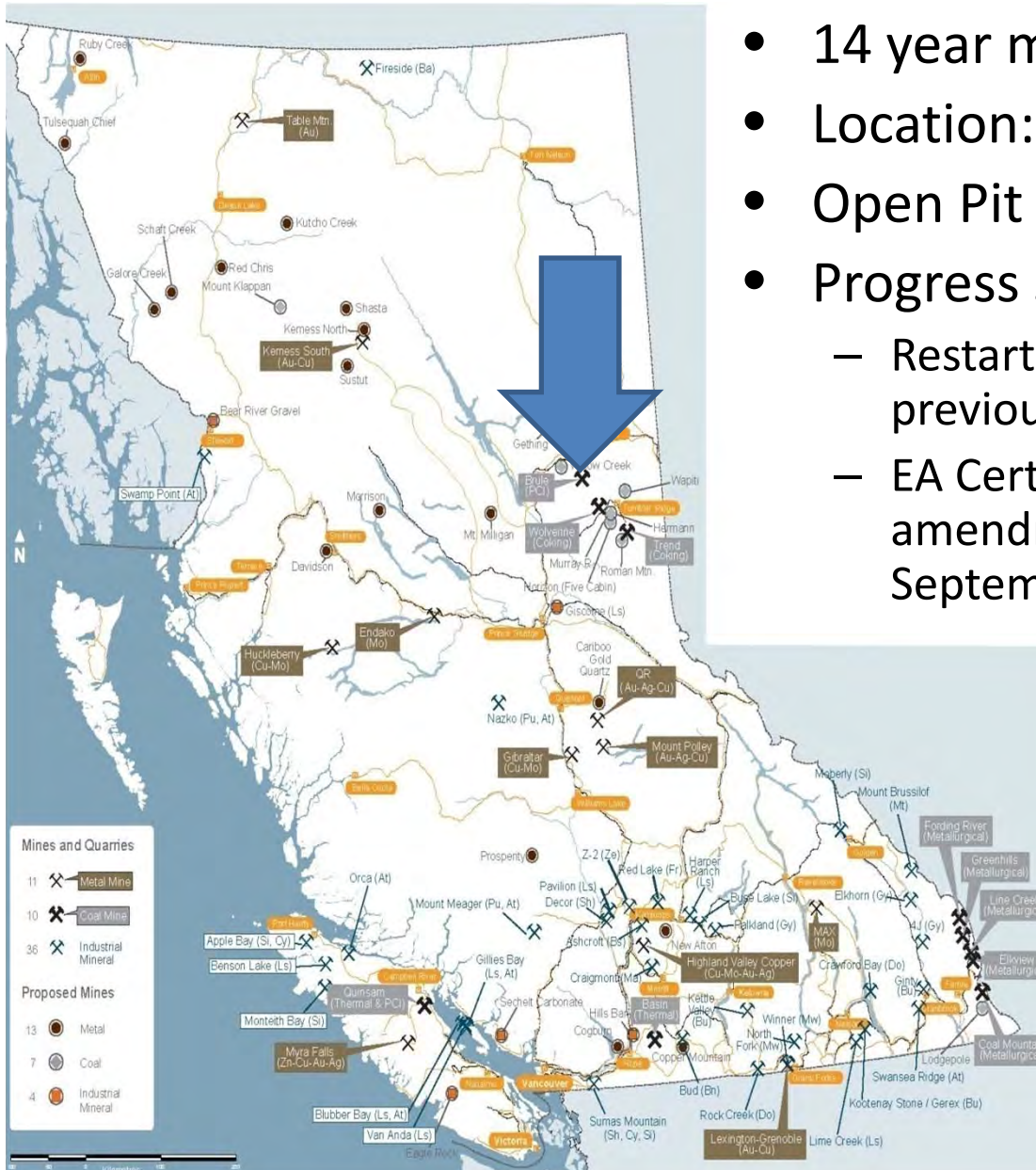
- 15 year mine life
- Location: Mackenzie
- Open Pit Cu/Au mine
- Progress since 2009:
 - Fully permitted
 - In construction
 - Production anticipated in 2013



- Projected benefits:
 - 400-500 direct operating jobs
 - \$900 million capital investment
 - **FN revenue sharing agreement concluded (McLeod Lake)**

Willow Creek Expansion– Western Coal Corp.

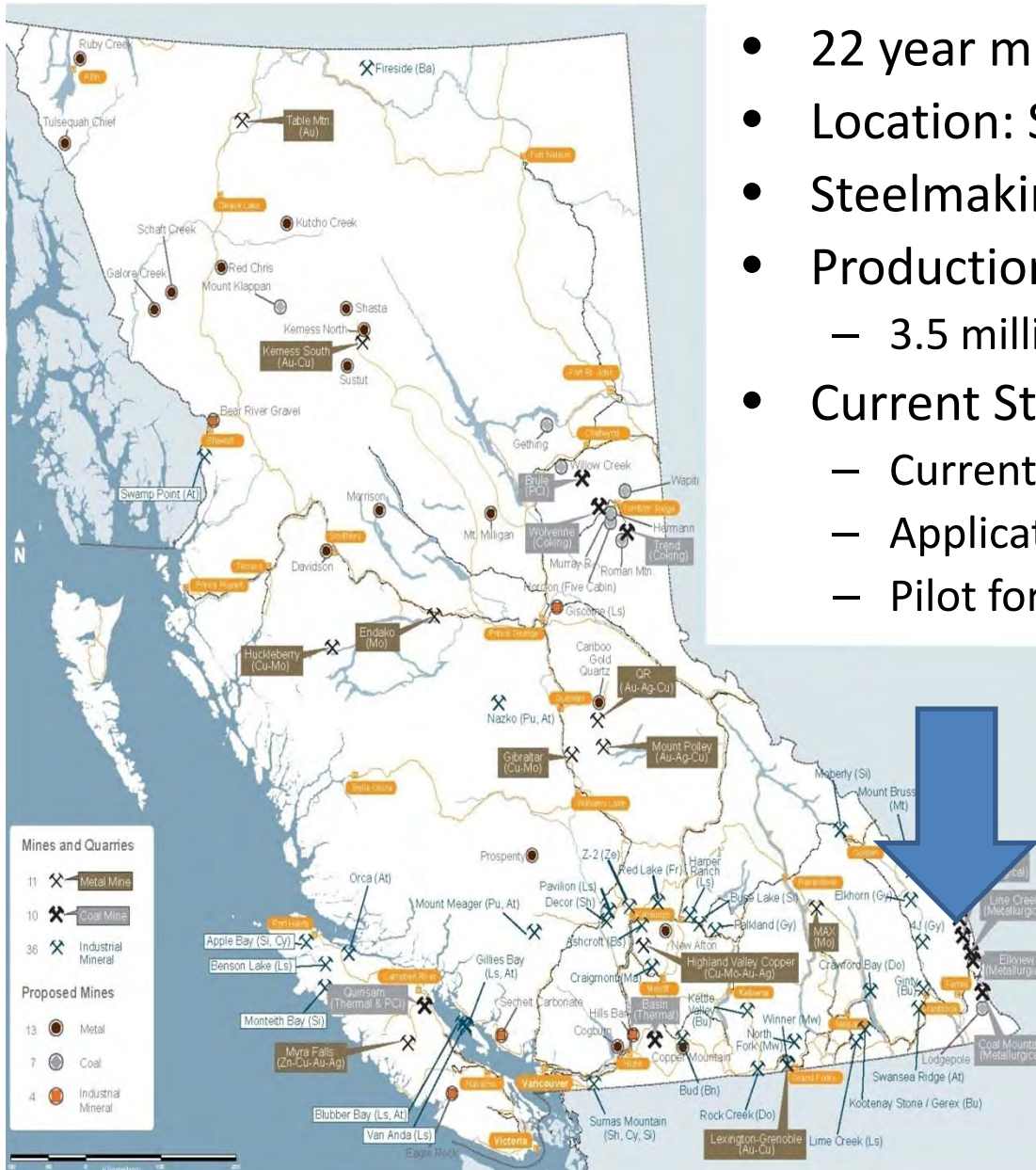
- 14 year mine life
- Location: Chetwynd
- Open Pit Coal mine
- Progress since 2009:
 - Restart of small scale operations on previous permits in June 2010
 - EA Certificate and Mines Act permit amendment applications submitted September 2010



- Project Benefits:
 - 310 - 368 direct operating jobs
 - \$270 million capital investment

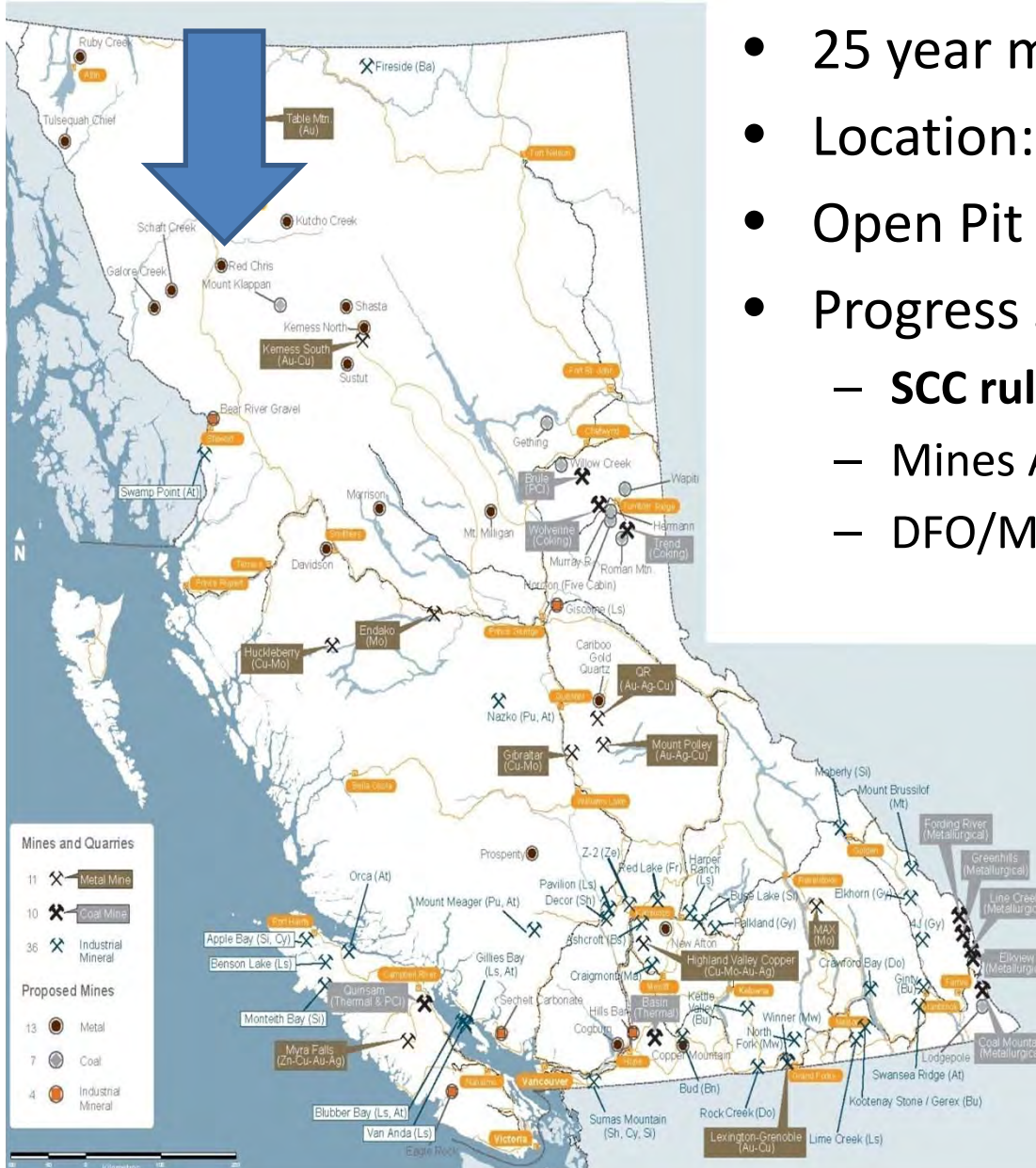
Line Creek Operations – Teck Resources Limited

- 22 year mine life
- Location: Sparwood
- Steelmaking coal mine
- Production:
 - 3.5 million tonnes of coal
- Current Status:
 - Current Permitted Mine Life 2016
 - Application for EAC in Q2 2011
 - Pilot for Delegation of Federal EA
- Project Benefits:
 - Approximately 400 direct operating jobs
 - Significant infrastructure already in place
 - Major capital investments
 - Additional 18 years of operation



Red Chris – Imperial Metals Corp.

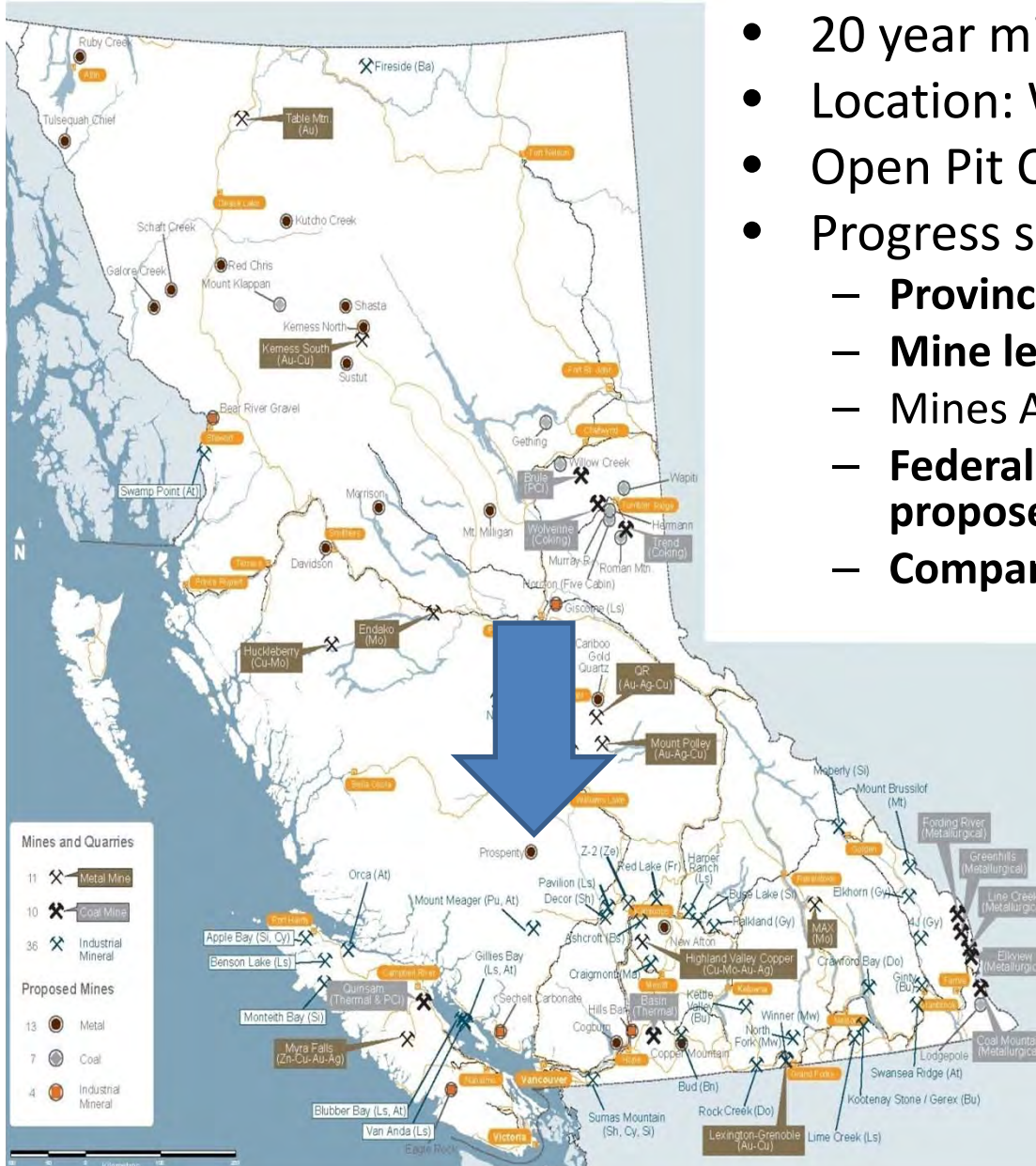
- 25 year mine life
- Location: Dease Lake
- Open Pit Cu/Au mine
- Progress since 2009:
 - SCC ruling
 - Mines Act permit in progress
 - DFO/MMER approval in progress



- Project Benefits:
 - 500 direct operating jobs
 - \$215 million capital investment as of 2005 update
 - First Hwy 37 customer

Prosperity – Taseko Mines Ltd.

- 20 year mine life
- Location: Williams Lake
- Open Pit Cu/Au mine – 7th largest in world
- Progress since 2009:
 - Provincial EA completed
 - Mine lease issued
 - Mines Act permit in abeyance
 - Federal EA not approved by cabinet as proposed
 - Company has submitted new design



- Project Benefits:
 - 500 direct operating jobs
 - \$1.3 billion capital investment
 - Resource revenue sharing candidate



Right Behind

- Morrison copper/gold
- Kitsault molybdenum project
- Kemess North copper/gold
- Ajax copper/gold
- Tulsequah Chief lead/zinc
- Raven metallurgical coal
- Quintette metallurgical coal
- Galore Creek
- Kutcho Creek
- Central South

Key Challenges

- Project review and approval, especially federal government
- Unsettled, overlapping FN land claims
- Rising electricity rates
- Human resources
- Infrastructure (rail, ports and power)



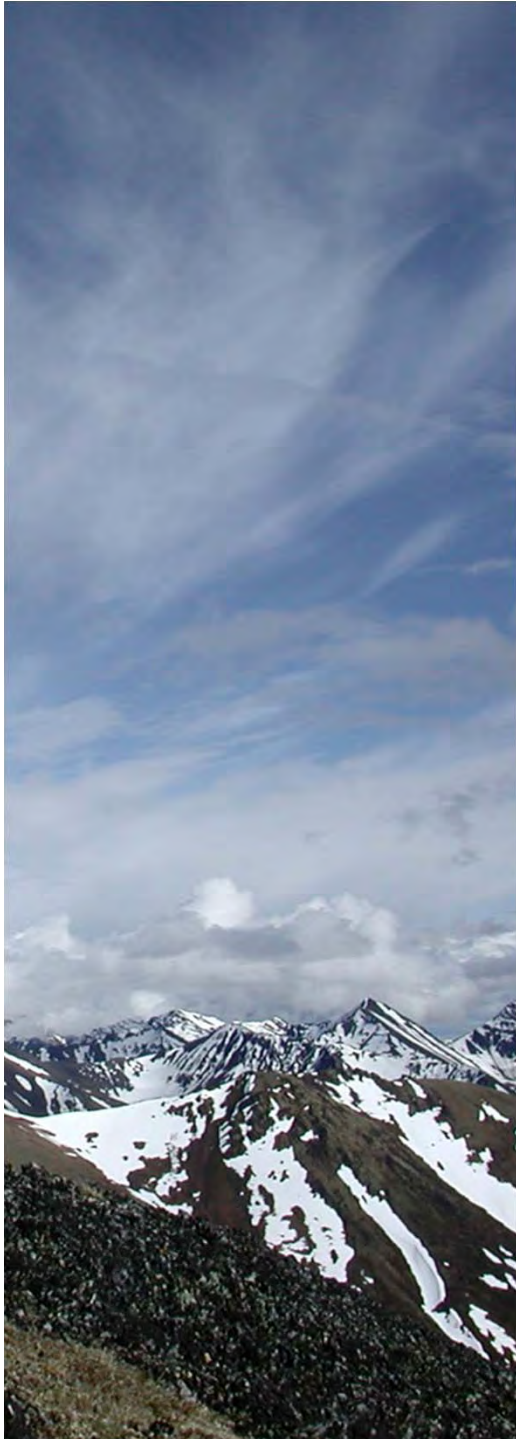
Mt. Milligan

Our Responsibilities

- MABC first provincial mining association to adopt *Towards Sustainable Mining*
- Best safety record of any heavy industry in BC
- Largest private sector employer of First Nations
- Aboriginal Mine Training Association
- First Peoples Cultural Foundation
- One of Canada's most significant investors in R&D

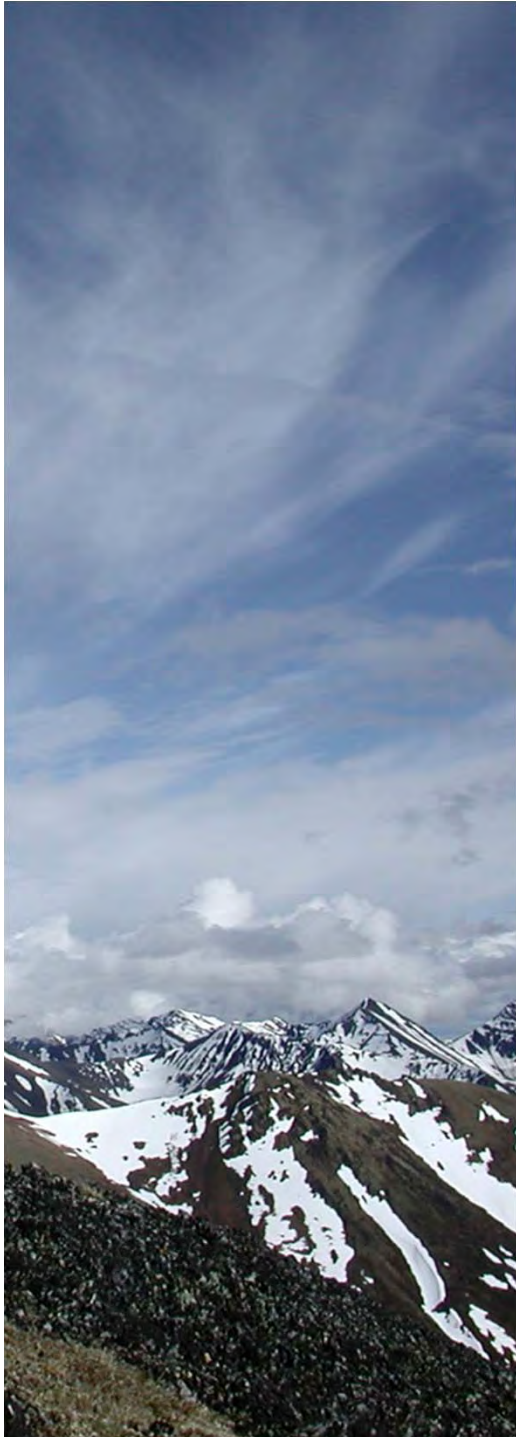


Mt. Milligan



Towards Sustainable Mining

- Guiding principles
- Specific policy statements
 - Aboriginal relations, biodiversity, closure, health and safety
- Performance indicators
- Public reporting on performance
- External verification
- Community of Interest Panel
- *Recognized by experts as “best-in-class” across sectors and around the world*



Conclusion

- Mining is a growth sector in BC with major projects coming on stream in next 2-4 years
 - Major opportunity to lay strong foundation for BC economy for the next generation and beyond
- Other projects could follow over next 5-10 years
- Today's mining industry committed to sustainable development – and to demonstrating this commitment
- We need to work together to enable responsible growth of mining industry