

# MABC

MINING ASSOCIATION OF BRITISH COLUMBIA

## Prosperity: In the Public Interest



# Mining in BC



- The BC mining industry is a significant financial driver contributing over \$8 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
- Largest employer of Aboriginal peoples (25% increase between '01 and '06 census)



# A Mining Renaissance in BC

- Rising long-term demand for BC commodities – copper, metallurgical coal, molybdenum
  - Driven by rapidly industrializing nations such as China, India, Brazil, etc.
- BC as Pacific Gateway uniquely positioned to capitalize on opportunity
- BC leading Canada in trade diversification – mining sector helping to drive this
- New mines needed to meet demand and enable BC to succeed

# Mining Turnaround



- After years of stagnation or decline, major new mining projects have advanced in BC
  - Prosperity is one of the most important of these
- New mines essential to:
  - Replace rapidly declining mineral reserves in BC and Canada
  - Replace existing mines soon to close
  - Begin to reverse BC's significant negative trade balance
  - Support BC's struggling rural economy
  - Continue to support BC-based mining infrastructure and supply sector



# What a Major Mine Means

- Major mines are rare
  - Only 20 operate in BC today
- Major mines are huge economic drivers
- Mining is the best land use on a jobs and investment per hector basis (*The Well-Being of Nations – R Prescott-Allen*)
- Major mines offer long-term, high paying employment
- Major mines support a broad-based economic infrastructure supporting small business and economic diversification
- Major mines offer the greatest opportunities available to First Nations for employment, training, business procurement and poverty alleviation



# Prosperity – A Golden Opportunity

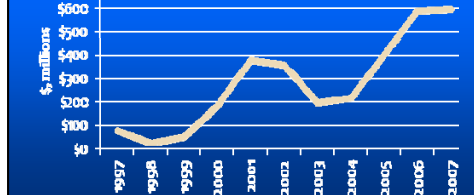
- Massive economic benefits
  - Thousands of jobs
  - \$Billions in government revenues
  - Higher disposable incomes
  - Sufficient resources to support the community and BC for 20 plus years
  - Diversification for Williams lake region devastated by pine beetle infestation

"Canada's rich mineral resources represent significant economic opportunities. Promoting the exploration and development of these resources offers important benefits in terms of employment, investment and infrastructure, especially for rural and remote communities. *Finance Minister Jim Flaherty, Federal Budget Speech, March 2010*

# An Example of Mining's Potential

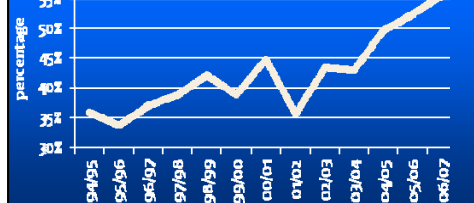


Aboriginal Business Revenues from NWT Diamond Mines, nominal, 1991 to 2007



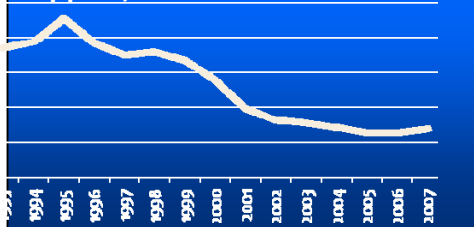
Source: Statistics Canada, Table 384-0001 Provincial and Territorial Economic Accounts

Graduates as a % of 18 year olds, NWT, 1994-95 to 2006-07



Source: NWT Bureau of Statistics Socio-Economic Scan 2008, GNWT Dept. of Education, Culture and Employment

Population Receiving Income Support, 1993 to 2007



Source: NWT Bureau of Statistics Socio-Economic Scan 2008, GNWT Dept. of Education, Culture and Employment

- Aboriginal business revenues increase to \$600 million, a six-fold increase in 12 years
- Secondary school graduation rate rises from 36 to 56 percent in 12 years.
- Persons on income assistance decline by 50 percent in 12 years

*“Whereas many industry sectors do not see aboriginal people as a workforce, consumers or partners, the mining sector has been on the leading edge of aboriginal inclusion efforts in employment, partnerships and business development for thirty five years.”* – Kelly Lendsay, President and CEO Aboriginal Human Resources Council



# Why Prosperity?

- BC based-company has strong track record of responsible environmental management
- Key Environmental Attributes:
  - Single watershed approach
  - No water discharge during mine operations
  - Extensive fish compensation plan that will deliver provincial fishery objectives
  - Taseko committed to a wildlife habitat compensation framework



# BC Environmental Assessment

- The BC EAO has already approved this project with a rigorous and comprehensive assessment that includes 103 commitments
- This process included a significant amount of public consultation
- The determination was that the effects to fish lake were justified given the economic and societal needs of the community and the province and the mitigation/compensation appropriate and responsible
- The project enjoys widespread local support



# Risks to BC if Not Approved

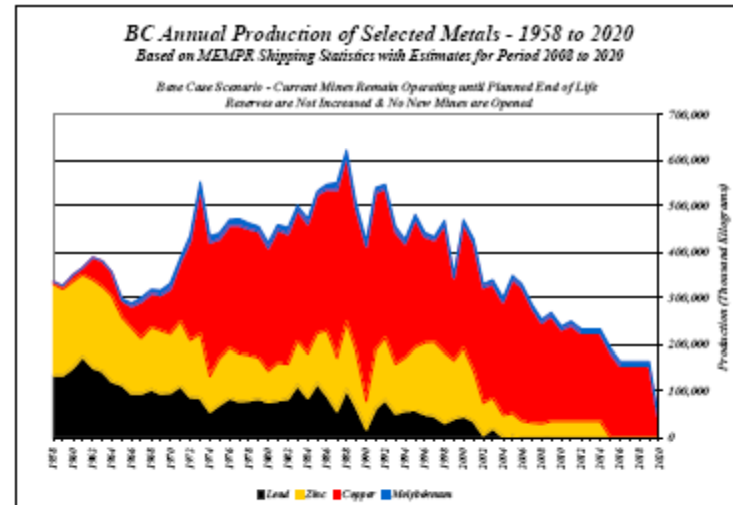


Figure 11: Low Growth Model for Selected Metal Production to 2020

- Continued decline of BC's mining sector and Canada's copper production
- Continued high unemployment and rural stagnation
- Major blow to BC as investment destination (post-Kemess)