

**HONOURABLE GORDON HOGG  
MINISTER OF STATE FOR MINING**

**SPEAKING NOTES**

**MABC BC Mine Managers Committee Meeting**

**Date:** November 3, 2008

**Location:** Terminal City Club, Vancouver

**Time:** Reception 5:30-6:30 p.m.  
Dinner 6:30 – 9:00 p.m.

**Speech:** 10 minutes

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## **INTRODUCTIONS**

- Thank you Richard Tremblay for that kind introduction. It's a pleasure to be here tonight.
- Since taking on this portfolio in June, my aim has been to further build relationships between industry and government to ensure B.C. remains at the forefront as one of the world's most prominent mining regions.
- Over the past several months I have enjoyed learning more about the industry and meeting the people who make it work.
- As many of you know, one of my first actions as Minister of State for Mining was to start a Minister's Council on Mineral Exploration & Mining.
- The intent of the council is to ensure that industry and First Nations are informed and involved in the formation of public policy.
- Input from Council members will help to shape the direction of the mining industry in B.C.
- The council met for the second time last week, where we discussed the Council's work plan activities and deliverables, including:
  - The Human Resources Strategy and ideas on addressing recruitment and retention issues.
  - Health and Safety- Particularly in the aggregate industry.
  - Recognizing First Nations interests - and moving forward with the New Relationship between both government and industry.
  - The harmonization of the environmental assessment process.
  - The electrification of Highway 37.
  - And of course the global economy.

## **GLOBAL ECONOMY**

- Recent volatility in the global financial markets has affected all sectors.
- And the cyclical nature of commodity prices has slowed the demand for some metals.

- This has directly impacted the mining industry, with the recent news of the decision to reduce the Myra Falls mine operations near Campbell River on Vancouver Island to a care and maintenance basis.
- Our thoughts go out to the affected employees and their families.
- Now, more than ever, we need to work together to build a strong, sustainable mining industry that attracts new investment, creates new jobs and operates in a socially and environmentally responsible manner.
- B.C.'s mineral industry has a strong foundation and our triple A credit rating will help us weather the storm until the economy strengthens again.

### **Asia-Pacific Investment Mission**

- Asian investors will play a key role in the development and continued prosperity of B.C.'s minerals sector.
- In November, I will be leading a trade delegation on an Asia Pacific 2008 investment mission.
- Among other things we will attend the China Mining Congress.
- Throughout the mission we will be reassuring Asian investors that the economy in British Columbia remains strong:
  - B.C. is open for business when it comes to mineral exploration and development.
  - B.C. has implemented policies that encourage investment in mining.
  - These policy changes have attracted international and domestic investors to our province.

### **Highway 37 – The Pursuit of the Northwest Transmission Line**

- In September, the Province announced that it will invest \$10 million to continue with the environmental assessment work required for the construction of Highway 37.
- It's important that we continue to build B.C.'s infrastructure to remain competitive globally.
- The Northwest Transmission Line is a \$400 million project that will carry power 335 km from Terrace to Bob Quinn Lake.
- It could potentially support the development of new mines and create an estimated 10,700 jobs.
- This project that will take advantage of the vast mineral potential of that region and continue to develop the infrastructure of the northwest.
- It will also help to realize the potential of the Prince Rupert Fairview Container Terminal.

## **FEDERAL PERMITTING - Major Projects Management Office (MPMO) - Harmonization of the Environmental Assessment (EAO) Process**

- We know that many of you are frustrated with the federal permitting process, finding it takes too long and is cumbersome
- We understand your concerns and challenges in trying to secure your federal permits
- We are meeting with our federal counterparts to continue discussions about trying to streamline and harmonize this process

## **First Nations and Revenue Sharing**

- The mining industry has been clear in their position that in order to build the New Relationship with First Nations we need to share direct benefits from mining.
- And the Province agrees.
- We are proud to be the first Canadian province to implement a resource revenue sharing approach with First Nations.
- The revenue sharing approach will be applied where there is a proposed project that will result in a new stream of direct resource revenue to the Province.
- This process will ensure that First Nations will receive revenue throughout the life of those mining projects.
- Resource revenue sharing will be part of the negotiating process with First Nations on a project-by project basis.
- This is a positive first step, and further discussions with the First Nation Leadership Council on how resource revenue sharing will occur are ongoing.

## **Conclusion**

- Mining in the 21st century is all about partnerships. Partnerships between industry, government, communities and First Nations.
- And it is these partnerships that will continue to make B.C. a mining success story. Thank you.