

**HONOURABLE GORDON HOGG
MINISTER OF STATE FOR MINING
ENERGY, MINES AND PETROLEUM RESOURCES**

Speaking Notes

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Suite 900 – 808 West Hastings Street,
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Check against delivery

INTRODUCTION

- Thank you, David. I appreciate your kind introduction.
- It is a pleasure to be here with you today.
- I would like to acknowledge the Coast Salish people whose traditional land we are on today.
- Mining is one of the leading industries in British Columbia, with tremendous potential for the future.
- It's a \$6.9-billion industry.
- We're reaching record numbers in exploration, and I feel very fortunate to be associated with such a good-news – no, a GREAT news - portfolio.
- I also feel fortunate to have the opportunity to work with the Mining Association of British Columbia.
- Over the years, the MABC has built a constructive and positive relationship with the provincial government.
- And I'd like to acknowledge your efforts and commitment.

VALUE OF MINING TO B.C.

- One of the key points I'd like to make here today is that this government really does understand how significant mining is – and will continue to be – in British Columbia
- There are 735 publicly listed B.C. companies, which account for 54 per cent of the national total.
- There are 10 metal mines, nine coal mines, over 30 major industrial minerals quarries and mines and more than 500 aggregate pits in B.C.
- Right now, 28,000 people are employed in the mining and minerals sector in more than 50 B.C. communities.
- Approximately 13,000 people work directly in mining and exploration.
- The rest are in smelting, refining, downstream mineral processing, and related service sector jobs.

- Four new mines commenced production: Swamp Point (northwest) and Orca (southwest), Brule and MAX molybdenum. QR also re-opened after having been shut down for nine years.
- Mining revenues from metallurgical coal operations were an estimated \$1.37 billion in 2007, according to a recent industry report.
- Investment in mineral exploration soared to a record-high of nearly \$416 million in 2007, a 1,300 per cent increase from 2001.
- There were 472 exploration stage projects for minerals, coal, industrial minerals and aggregates throughout B.C. in 2007.
- The number of exploration projects with budgets in excess of \$1 million was over 100 in 2007.
- Tenure acquisitions during 2007 were equivalent to 2006 levels, at an estimated six million hectares.
- And we are all very optimistic about the future of the industry.
- Right now, there are more than 20 mine development projects in the works.
- As most of you know, the Federal Government opened a Major Projects Office to provide environmental reviews of new projects.
- And government is working diligently with the Federal Government to HARMONIZE the environmental review process for projects CURRENTLY in progress.
- New coal mines in Northeast B.C. could generate up to 1,000 new full-time jobs and \$1 billion in investment by 2010.

RURAL AND REMOTE COMMUNITIES

- All of that is very significant.
- But what I notice is how important mining is – and could be – in rural and remote communities in northern B.C.
- Since the founding of the Crown colony of British Columbia 150 years ago, and long before that, the people living here have depended on its natural resources.

- And the fact is the wealth and well-being of British Columbia has largely been provided by the rural and remote communities that harvested, fished, logged and extract those natural resources.
- These days, some of those communities are facing challenges.
- The pine beetle and the economics in the forest industry are taking a toll on communities like Mackenzie and McBride.
- So when I look at the potential revenue power of the mining industry, one of the things I see is a renewed lifeline to those communities.
- In 2007, mining jobs paid wages averaging \$101,900 with benefits, according to a recent industry report.
- That kind of income supports families, communities, and the whole province.

CHALLENGES

- Like anything, though, the answer isn't as simple as just opening up new mines.
- This government is very interested in economic growth, but it has to be **sustainable** economic growth.
- The world is changing rapidly, and every industry and every sector is running to keep up.
- I'm very proud that British Columbia is a progressive province, leading the world in tackling some of the most challenging issues of our times –
- Our relationship with First Nations
- And recognizing the impact of climate change.
- We've made a commitment to – and we are making a difference – in both these areas.
- And the mining industry plays a key role in both.

FIRST NATIONS

- Our relationship with First Nations is one of the most important initiatives our government has launched.

- After decades of uncertainty, we have launched a New Relationship with First Nations that is founded on the principles of mutual respect, recognition and reconciliation of Aboriginal rights.
- I believe it is in the interests of ALL British Columbians to move forward in building this new relationship.
- But it is especially vital to the mining industry.
- We recently provided a \$160,000 grant to your association to assist in building stronger relationships with First Nations ...
- ... relationships that will enable First Nation communities to participate in meaningful partnerships with government and industry that builds trust, respect and certainty.
- Industry, communities, First Nations and government must work together to improve the social and economic circumstances of the communities in which a company operates.
- And work collaboratively to ensure mining can happen in a way that encompasses a broad range of interests.
- One of my first actions as Minister of State for Mining was to create the Minister's Council on Mineral Exploration and Mining.
- The council is made up of industry and First Nations representatives who will work closely with my ministry to identify and carry out short and long terms goals for mining in British Columbia.
- We had our first meeting earlier this month and it was productive, with a vision for the future.
- The Council will develop a work plan which will reflect priorities for government, industry and First Nations for the coming year.
- This is just one of the mining-related steps we've taken in working with First Nations.
- B.C. and Canada made a \$7.3-million investment in the Reclamation and Prospecting Program to train youth from rural and First Nations communities over three years.
- This helps young people get access to good, well-paying, long-term jobs and ...
- ... it will help meet the growing labour needs of B.C.'s growing mineral industry.

- This has been a very successful program, and a perfect example of win-win-win that helps everyone involved.

CLIMATE CHANGE

- Climate Change is another area we must all work on together, because we all depend on a healthy environment.
- As you very well know, British Columbia is working towards very ambitious – and I believe, very achievable – targets in reducing greenhouse gas emissions.
- I recognize that the Mining Association of British Columbia has supported many of the Green Economy measures in our 2008 budget, and I want to say that I appreciate your support.
- I also appreciate your active participation in the Climate Action Secretariat, and your commitment to being part of the solution.
- I understand that you have concerns about possible unintended consequences or future decisions – from what the federal government might do, to potential increases of the Carbon Tax.
- I cannot speculate on what will happen in the future.
- As a government, we are committed to revenue neutrality as we move forward.
- It is not our intention to bring change about on the backs of the industries that have supported this province's economy, and our communities.
- We understand the challenges of your industry, and that's one of the reasons we announced an immediate reduction in general corporate tax, with an additional reduction to 10 per cent by 2011.
- We want to encourage environmental assessment and permitting in B.C., so we announced \$7 million funding to help with it.
- We reduced the school tax rate for major industrial property, and contributed an additional \$6 million for Geoscience BC.
- This government is committed to a healthy and vibrant mining industry in British Columbia, one that is sustainable well into the future.
- And we believe that a healthy environment and a healthy economy are **NOT** mutually exclusive.

- Trying to manage an issue as complex and global as climate change is new to all of us.
- These are uncharted waters, but I firmly believe that as long as we continue to work together, to listen to each other, to communicate clearly and try to understand the bigger picture and broader goals, we will all benefit.

NORTHWEST TRANSMISSION LINE

- Before I close, I'd like to say a few words about the Northwest Transmission Line.
- I understand how important a project like this is to you.
- This major, 355 kilometre project is intended to create economic diversification for the resource-rich Northwest region of the province.
- And, as has become the theme of this talk, will benefit everyone involved.
- This line could attract approximately \$3.5 billion in investment and bring **eight** mining projects to the region.
- And it's intended to assist remote communities in the area move from diesel generation to a cleaner, greener form of electricity.
- This line can generate 2,000 jobs, stimulate over \$300 million in economic activity, and contribute to healthier communities all along Highway 37.
- This government supports the Northwest Transmission Line.
- But it's an enormous project, and we can't do it alone.
- We've made it clear that we have \$250 million on the table towards the project – that's more than 60 per cent of the total cost of building the transmission line.
- We are working with the mining industry to develop a financing plan that will result in reliable energy for Northwestern B.C.
- I'm sure this will continue to be a top discussion point for us in the future.

CONCLUSION AND THANK YOU

- In conclusion, I would like to say "Thank You" to everyone here for your attention today ...

- ... and for your proven commitment to working in partnership with this government, with communities across the province and with First Nations.
- We are very fortunate to live in a place with a wealth of natural resources that provide us with a strong economy and such an enviable lifestyle.
- It's our responsibility to make the most of what we have, and we do that best when we work together for the benefit of everyone.
- Thank you.