

Ms. Karen Goodings
Chair
Regional District of Peace River
Box 810, 1981 Alaska Avenue
Dawson Creek, BC V1G 4H8



November 20, 2009

Dear Ms. Goodings,

Please find attached an article and editorial published in the November 10, 2009 edition of the Vancouver Sun highlighting the important contribution the mining industry makes to our province.

Vancouver is a global centre for mineral exploration and mine financing, with some of the best minds in the country working in this city on behalf of the sector. Equally important, mining is poised for significant growth in B.C., with about \$4 billion in new private sector investment already starting to be spent on new mine developments. Indeed, this industry offers First Nations and communities across the province new hope from the devastation caused by the mountain pine beetle, with the promise of high-paying jobs and major spin-off opportunities at a time when we most need them.

As the Vancouver Sun editorial rightly points out, however, we need your help to make this new development happen. New mining development is hampered by a cumbersome federal environmental assessment process that adds little but costs and delays to the comprehensive and robust review undertaken by the province. The Government of British Columbia has been working hard to persuade the Government of Canada to recognize BC's environmental assessment process as "equivalent" on a case by case basis in a manner that in no way compromises the federal government's need to fulfill its jurisdictional responsibilities.

We hope you find the attached material of interest and that you can, as the Editorial urges, "get behind the mining industry" for the benefit of British Columbians and all Canadians.

Yours sincerely,

Pierre Gratton
President & CEO
Mining Association of BC

Janine North
Chief Executive Officer
Northern Development
Initiative Trust

Gavin Dirom
President & CEO
Association for Mineral
Exploration BC

BUSINESS BC

TUESDAY, NOVEMBER 10 | 2009 | EDITOR HELEN DAWSON 604.605.2520 | ST.BUSINESS@VANCOUVER.SUN.COM

SEVENTH ANNUAL LIST OF B.C.'S TOP 100 PUBLIC COMPANIES



PHOTO ILLUSTRATION BY MAGGIE WONG / VANCOUVER SUN

All that glitters is golden again

The price of gold jumped 25 per cent during fiscal 2008, adding strength to dozens of B.C. companies

BY FIONA ANDERSON

All that glitters is, in fact, gold — and in some cases, copper, silver or even sand and gravel. Because, once again, British Columbia's top companies for the past year are overwhelmingly miners.

Leading the pack as *Business BC*'s strongest company is Eldorado Gold, which moved up from 18th last year. The gold miner — with two operating mines and five exploration projects around the world — also ranked third on *Business BC*'s list of fastest-growing companies.

Rounding out the five strongest were two more gold producers — Goldcorp Inc. at number two and Rod Back Mining, taking fourth spot — and two copper companies, Coriente Resources in third, and Quadra Mining in fifth.

Throw in some sand and gravel — Polaris Minerals. *Business BC*'s fourth fastest-growing company — and the pattern is repeated in the fastest-growing list. New Gold Inc. takes top ho-

nours in this list. Fortuna Silver, which mines both gold and silver, is runner-up, with Eldorado Gold third, and First Majestic Silver Corp., fifth.

Gold often shines when the world looks gloomy, and the world looked pretty gloomy in 2008 and 2009.

"It's kind of a go-to investment when you're concerned about inflation [and] when you're concerned about the strength of the U.S. dollar, which gold is priced in," said Robert Gallagher, CEO of New Gold.

In 2008, the price of gold averaged \$872 US an ounce, up almost 25 per cent from \$699 US an ounce in 2007, according to a weekly commodity price report put out by TD Economics last week. The price reached \$1,000 US last month and has stayed there, or well above, since.

"Gold did not go through an economic crisis; gold benefited from it," said Pierre Gratton, president and CEO of the Mining Association of B.C.

"So if you were a gold company, you were doing okay — unless you were caught in the overall liquidity crisis," he said.

But while more than 800 mining companies call B.C. home,

[B.C. has] always remained a place where the [mining] industry parks itself. So now we've got a lot of expertise. Some of the best legal minds in the world are here in Vancouver, and some of the best financiers are here in Vancouver.

Pierre Gratton
President and CEO
Mining Association of B.C.

most of them operate outside the country. Gratton pointed out like Eldorado Gold, which operates in Brazil, China, Turkey and Greece. New Gold, which is developing a mine near

Kamloops, is almost an anomaly. But the company's other projects are in Mexico, Australia, Brazil, Chile and California.

"The trend speaks to an earlier era when much of B.C. was built around mining, Gratton said.

"And it's always remained a place where the industry parks itself," he said.

"So now we've got a lot of expertise. Some of the best legal minds in the world are here in Vancouver and some of the best financiers are here in Vancouver."

That has made Vancouver a world centre for mine financing and exploration for years, Gratton said.

"This is where the brains are," he said.

Miners are no strangers to *Business BC*'s list, often dominating. But in 2007, there were signs the economy was diversifying, with some alternative energy, technology and even health and nutrition companies making strong appearances and taking several top spots.

But these companies were hurt in 2008, and some top performers in 2007 didn't make the cut-off share price of \$1 on

TOP 100 SPECIAL SECTION

Our lists, sub-lists, and top corporate profiles

- **The data:** *Business BC*'s annual list of the province's most successful companies. **Page F3**
- **The Sub-lists:** The top corporations by market cap, profit, and revenue growth. **F2**

- **The Strongest:** Profiles of Eldorado Gold (F2), Goldcorp (F4), Coriente Resources and Rod Back Mining (F5), and Quadra Mining (F6).
- **The Fastest-Growing:** Profiles of New Gold, Fortuna Silver, Polaris Minerals, and First Majestic Silver (F7).

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VANCOUVER.SUN.COM/TO100

May 31, 2009.

The drop in the price of oil may have played a role in keeping some technology companies off the list, said Helmut Pastrick, Central 1 Credit Union's chief economist.

"To some extent [lower energy prices] have potentially taken some of the steam out of the short-term need for alternative energies," Pastrick said.

But while the miners take the five top spots on the strongest list, eight of the province's strongest 15 are not miners, including methanol producer

Methanex Corp., Westshore Terminals and Ritchie Bros. Auctioneers.

It's still a far cry from when *The Vancouver Sun* published its first list of the province's top companies in 2003. Then, only one miner — Northgate Exploration Ltd. — made it into the top 10 of what was then a single list of 100 companies. Non-miners Finning International, Great Canadian Gaming Corp., Imperial Parking, Ritchie Bros. and Intrans took top honours.

fionanderson@vancouver.sun.com

ONLINE

Quarterly reports

Financial results are expected today from Finning, Rona and Timminco. Updates at www.vancouver.sun.com/business

INSIDE | D4

Nortel Networks series

The final instalment in our look at the collapse of one of Canada's largest companies. Today: It will take dozens of successes to make up for Nortel's demise.



WEDNESDAY

Optimism reigns

B.C.'s small business sector is increasingly upbeat about the economy despite a slight drop in confidence nationally, according to a new study.



THE EDITORIAL PAGE

THE NEWSPAPER'S VIEW

Liberals and NDP should get behind the mining industry

British Columbia has been faithful to the federal Conservative Party. In the election a year ago, it returned 22 Conservative MPs to the House of Commons and gave the party 44 per cent of the vote. Only nine New Democrats and five Liberals were sent to Ottawa from the province, voting 26 per cent and 19 per cent of the vote respectively.

The Conservative ridings represent the heartland, the locus of B.C.'s vast resource wealth. Mining rules in these regions where deposits of oil, copper, zinc and coal have attracted people and investment for 150 years. The value of mineral sales in B.C. last year was \$6.6 billion, and roughly 14 per cent of provincial exports, or \$4.6 billion, was metallic minerals and fabricated metal products.

In 2008, the mining industry paid government \$545 million in direct taxes, levies and payments related to employment. Speaking of jobs, mining companies employed 7,607 workers directly last year while the B.C. government figures the mineral and metal economy accounts for 28,000 jobs. And these are highly paid jobs. Average annual compensation in salary and benefits tops \$112,000.

The provincial government seems to understand all this and has taken steps to enhance B.C.'s mining industry's competitiveness. For example, harmonizing the provincial sales tax with the federal goods and services tax, which the government has promised to do in July 2010, is expected to reduce the cost of building a mine by \$10 million and cut operating expenses by \$1 million a year. The province has also given a green light to a \$404-million transmission line through northwestern B.C. that could create \$15 billion in private investment. The federal government has pledged to cover \$150 million of the cost.

Yet no major mines of sufficient size to replace the soon-to-close Keness and Huckleberry mines have been opened in more than a decade. The main stumbling block is regulation; specifically, a duplicate approval process that delays expenses by \$1 million.

B.C. has argued that Ottawa should leave regulation and permitting to the provinces to prevent delays in developing mines. But the federal government is dragging its feet. The mining industry in some provinces are not ready to take on

that responsibility. B.C. boasts relatively efficient environmental assessment process and there's no need for Ottawa to conduct its own. The federal government could simply rubber stamp B.C.'s rulings under a bilateral agreement — of the sort it routinely negotiates with Quebec. The state of other provincial regulatory regimes need not be a factor.

Perhaps the Conservative government is wary of taking on the potentially controversial issue of relinquishing control over environmental assessments of mining projects while in a minority position. But other parties should see that it is in their interest to support the measure.

Outside the urban areas, NDP strength is in Skeena and the southern Interior. Skeena is home to Galore Creek, a property held jointly by NovaGold and Teck Resources, thought to be one of the world's largest undeveloped copper-gold-silver deposits. It is also the location of the Red Chris mine, approved by the province in 2005, but tied up ever since by the federal process and litigation.

In the southern Interior, Copper Mountain, with a reserve of five billion pounds of copper, could be producing 100 million pounds a year by 2011 if the approval process can be accelerated.

The federal NDP should align itself with those who want to develop these mines and create highly paid, unionized jobs. Incidentally, the mining industry is the largest private sector employer of first nations workers in the province.

Similarly, the federal Liberals must recognize that many of their urban supporters depend on the mining industry for their Howe Street jobs. About 60 per cent of Canadian exploration companies are based in B.C., most with headquarters in Vancouver. It is the nation's capital for exploration financing. Thousands of consulting, accounting, banking, legal, engineering and other professional jobs are closely tied to the mining industry.

Both parties have common cause in helping the mining industry overcome this bureaucratic barrier and support the minority government when it proposes to delegate environmental impact and other assessments to the province.

Additionally, as we've urged before, the province needs to set up a one-stop approvals shop, like the Oil and Gas Commission, to help the mining industry to realize its full potential.

GREG PERRY'S VIEW



TODAY'S LETTERS

The long-gun registry

Re: Scrapping long-gun registry is pandering to vocal minority, Nov 9

Thank you for Stephen Hume's wonderful column highlighting the fact that the vast majority of Canadians want more, not less, stringent gun safety laws. Bill C-391 is bad law and the government is hiding behind MP Candice Hoepner's skirts while bringing its legislation into the back door.

Firearms registration is a one-time process that makes gun owners accountable; makes straw purchases and illegal sales more difficult; is used by police for prevention and to enforce prohibition orders; aids police investigations (two men were identified and convicted as accessories to the murder of four RCMP officers in Mayethorpe, Alta., because a registered gun was found at the scene); and allows police to differentiate between legal and illegal firearms and to trace guns.

Stricter gun laws help reduce gun-related death, injury, violence and suicide. How, exactly, does making gun ownership looser and ignoring the opinions of distinguished organizations like the Canadian Association of Chiefs of Police and the Canadian Pediatric Society advance the Conservatives' devotion to law and order?

BEVERLY AKERMAN
Montreal, Que.

Stephen Hume makes an emotional argument in favour of the long-gun registry, but it's short on logic. He quotes the usual statistics on crimes and accidents involving long guns but nowhere does he explain how any of those statistics are affected by registering all the rifles and shotguns at great expense.

What Hume doesn't realize is that there is a frustrated vocal minority of Canadians who know something about guns and have given critical thought to the matter. These Canadians advocate effective gun control focusing on the owners, not the weapons. We could have much more effective control of rifles and shotguns if we scrapped the registry and spent a fraction of the money on gun handling and storage education and better screening and follow-up of gun licence applicants.

BILL MASSE
Langley

Protection from H1N1

Health Canada's advice, on protecting yourself from H1N1, is to stock up on pain and fever medication and "easy meals." No wonder people are sick. That is the worst advice possible.

What we need to do to be healthy is to stock up on nutrient-dense foods and never eat processed foods or refined sugars. Health Canada should be ashamed of its lousy information.

D. SUNDQUIST
Burnaby

Echinacea is a powerful immunity builder. I take it when I first start to feel flu symptoms. My wife and I do not intend to be vaccinated against H1N1 at this time. We won't until the vaccine is clearly proven safe.

A.P. DCPUIS
Nelson

Transit is hardly 'broken'

With the release of B.C. Comptroller General Cheryl Wenzel's Yalden's report last Friday, TransLink stated that it wanted to give the document the careful review it deserves before commenting on its findings and recommendations as they relate to our operations. The portrayal of the report in media headlines is another matter and requires an immediate response.

The "Metro transit is broken" headline on the front page of the Sun's Saturday edition is not true. Metro Vancouver's transit system is rated internationally as one of the most innovative and efficient in the world.

The comptroller-general's report includes observations on cost containment and administrative costs. TransLink took significant steps on these issues last year when, in spite of higher fuel costs and lower revenues, the organization did what was needed to reverse a forecast budget deficit, all while continuing to deliver expanded services. This year, the threat of significant cutbacks to service had been reversed, thanks the Mayors' Council decision Oct 23 to approve \$130 million in new annual revenue.

We have a strong, clear consensus that the provincial transit plan, announced in January 2008, is what we need to support the future we want for Metro Vancouver.

DALE PARKER
Chair, TransLink, Burnaby

Richmond inside with plans for Holland Heineken House

Re: Setting up in Canada no treat for the Dutch, Nov. 7

Columnist Miro Cermetig unfairly suggests that the City of Richmond has let bureaucratic red tape compromise plans to host Holland Heineken House within our official education site for the 2010 Olympic Winter Games. In fact, our staff has been working closely

with the Heineken House project team to expedite the approval process.

Richmond will accept professional certification provided by their consultants simply confirming that building plans, as well as kitchen equipment, meet health and safety standards. Building-code regulations have also been simplified and streamlined, and the city has assisted in the attempts to secure appropriate liquor licences and work visas from the provincial and federal governments. We are fully committed to this world-class entertainment venue, which will open to all Feb. 11.

MALCOLM D. BRODIE
Mayor of Richmond

Leadership worth the price

As a past BC Ferries board member, I am somewhat dismayed by all the comments about BC Ferries and compensation. First and foremost, BC Ferries is not a Crown corporation.

It was reorganized so as to be able to raise money in the private markets and rationalizing the fleet without making further demands on the government for taxpayer dollars.

We have witnessed what has to be considered a financial turnaround, resulting in a revitalized fleet and a high degree of passenger satisfaction — all at less cost to the taxpayer. The BC Ferries team has provided that turnaround and, I say, has earned every dollar. By all measures, BC Ferries has achieved the objectives it was given.

People are rankled that David Hahn and some of his executives are receiving compensation that appears excessive when compared to the public sector. Yet I firmly believe B.C. has received great value, that the direction BC Ferries is going in is the right one and that the compensation is fair and reasonable for the jobs performed.

At one time, BC Ferries was unable to attract people who could stand up to political and special-interest-group pressures to buy the wrong equipment, pay way too much as a result of inefficient labour practices and operate based on special-interest pressures, rather than need. The service was terrible and the future for BC Ferries was extremely dim.

Let's not return to the failed past. Let's continue to move forward and have effective management leading BC Ferries.

PETER R.B. ARMSTRONG
Vancouver

GUEST EDITORIAL FROM THE MONTREAL GAZETTE

Charges create contempt for the justice system

A Crown attorney in Toronto has dropped two of the criminal charges against grocer David Chen. Now she should drop the other two and apologize to him. And Parliament should amend the Criminal Code to give shopkeepers freedom to protect their livelihood.

Last May, 23 a man was videotaped shoplifting \$60 worth of plants from Chen's Lucky Moose market. The man, notorious among local merchants as a crack addict and serial shoplifter with a 35-year criminal record, had the nerve to come back an hour later, possibly for more. Chen confronted him and did what any retailer would want to do: chased him, caught him, and threw him into a van, tied with wire, until police arrived. Justice? Not so fast. Ridiculously, Chen and two employees found themselves charged with kidnapping and having a concealed weapon (a box cutter, in its case on Chen's belt, never taken out or mentioned during the excitement) plus assault and unlawful confinement.

Chen, who has two young children, could get two years in jail. So could his workers. Meanwhile, the shoplifter got a reduced sentence, 30 days, because he had agreed to testify against Chen. The Criminal Code allows a merchant to detain a shoplifter, it turns out, only while the shoplifter is in progress.

Why is this being prosecuted at all? Shoplifting is a minor crime, but how is a retailer supposed to protect his livelihood if he must just let thieves pedal away — repeatedly?

Canada's constitution says evidence cannot be admitted in court if it was obtained by violation of someone's Charter rights, since that "would bring the administration of justice into disrepute." That covers false evidence only, but just this summer, in a case called *R. vs. Grant*, the Supreme Court noted "the phrase 'bring the administration of justice into disrepute' must be understood in the long-term sense of maintaining the integrity of, and public confidence in, the justice system."

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