



November 12, 2010

Hon. Pat Bell, Minister of Forests, Mines and Lands
PO Box 9049 Stn Prov Govt, Victoria, BC, V8W 9E2

Hon. Randy Hawes, Minister of State for Mining
PO Box 9070 Stn Prov Govt, Victoria, BC, V8W 9E2

Hon. Steve Thomson, Minister of Natural Resource Operations
PO Box 9043 Stn Prov Govt, Victoria, BC, V8W 9E2

Dear Ministers,

Re: AME BC's Recommendations re. Proposed Changes to Mineral Tenure Act Regulation

On behalf of the 300 corporate and 4,000 individual members of the Association for Mineral Exploration British Columbia (AME BC), I thank you for the opportunity to provide input into government's proposed changes to the Mineral Tenure Act Regulation (MTAR). AME BC recognizes the need for timely reviews and revisions to the MTAR and we appreciate the consultation efforts and regional meetings that have been conducted by government staff over the last few months. AME BC has also been consulting with members and non-members about the proposed changes.

The primary reason for holding a claim is to conduct exploration of the mineral resources. As such, the driving force behind AME BC's approach to date has been to ensure that all explorers (prospectors, juniors and majors) in BC can successfully operate under the government's proposed higher front-end cost mineral tenure system. To support this AME BC is advocating for the re-introduction of some form of a prospectors' assistance program and possible tax credits or capital gains exemption for prospectors. As well, one of AME BC's top priorities is to see Geoscience BC and the BC Geological Survey well funded in this province for the ongoing success of the BC mineral exploration and development sector.

AME BC's specific concerns and suggestions with the proposed changes as set out in government's discussion paper of September 29, 2010 and as conveyed by ministry staff during the meetings, are attached.

We also have important concerns related to the role of the prospector, enforcement of MTAR, and staffing pressures within the provincial government, as set out below:

1. AME BC wishes to emphasize to government the importance of the individual prospector as we believe that the contribution of individual prospectors to the BC mineral exploration and development sector is not properly understood or appreciated. AME BC recognizes that it may not be realistic to expect prospectors to be able to hold the same quantity of mineral lands as publicly-funded junior or major companies. However, we believe that proposed changes cannot alter the rules such that individuals are unfairly priced out of the exploration sector. As such, AME BC strongly recommends that government explore ways to assist the individual prospector to ensure their continued viability. Generally speaking, we believe that any method to assist the prospector should emphasize active physical exploration work being conducted on the ground.

Possible suggestions include:

- a. Developing a prospector incentive program such as Yukon's Mining Incentive Program;
 - b. Creating incentives such as a rock or soil assay program for prospectors;
 - c. Investing in a prospector training program;
 - d. Providing additional technical assistance from regional geologists to local prospectors; and
 - e. Filling the current regional geologist vacancy in Prince George and other vacancies as they come up and providing assistants to the regional geologists for the summer period.
2. AME BC strongly supports direct and swift action by the Chief Gold Commissioner to enforce the statutory process and intent of MTAR. AME BC is prepared to fully and publicly endorse such actions that enforce and support the active exploration of a claim by the legal mineral rights holder.
 3. AME BC recognizes the staffing pressures within the Mineral Titles Branch as well as in other government departments servicing the mineral exploration sector. In some situations these pressures result in delays in Notice of Work permits, report reviews, and in having the Mineral Titles Online system fully functional. This in turn puts undue pressure on claim holders to maintain their claim but without the normal ability and support to do so. In these cases, we submit that the Chief Gold Commissioner exercise their authority under sections 66 and 67 of the *Mineral Tenure Act* to extend the time

period required by the Act. This extension does not result in any loss of revenue to government but simply extends a legal time limit. AME BC is prepared to work with government to establish a transparent process in which such authority could be exercised, recognizing that this process cannot fetter the authority of the Chief Gold Commissioner.

We look forward to further discussion about these current AME BC's recommendations and government's proposed changes to the Mineral Tenure Act Regulation. As well, we would appreciate the opportunity to bring forward other suggestions in the coming months.

If you have any questions regarding AME BC's submission, please contact me at 604-630-3920 or gdirom@amebc.ca.

Sincerely,



Gavin C. Dirom
President & Chief Executive Officer
Association for Mineral Exploration British Columbia

cc: Steve Carr, Deputy Minister and COO, Ministry of Natural Resource Operations
Doug Konkin, Deputy Minister and CEO, Ministry of Natural Resource Operations
Dana Hayden, Deputy Minister, Ministry of Forests, Mines and Lands
Board of Directors, AME BC
Regional Exploration Groups

AME BC Comments on Proposed Changes to the Mineral Tenure Act Regulation

1.0 New mineral claim registration fee

AME BC is aware that the fees set in the Mineral Tenure Act Regulation generate revenue far in excess of the annual expenditure required to provide and maintain that service. We recommend that government adopt a lower revenue stream and implement a new claim fee of \$1.50 per hectare rather than the proposed \$1.75 per hectare.

2.0 Annual work registration fee

AME BC strongly endorses the removal of the annual work registration fee. In our view this annual fee is a detriment to corporate claim holders in that government fees are not an eligible flow through expense. For the individual, the annual work registration fee directly competes with the dollars available for work.

Under the current structure, as more work is registered by a claim holder, more fees are payable, with the end result that the claim holder usually registers the minimum amount of work to maintain the claim. This annual fee is a direct barrier to the transfer of geoscience information obtained from exploration programs to the public domain.

3.0 Annual mineral claim work obligations:

- 3.1 AME BC recommends that year 1 and 2 of the work obligation be set at \$5 per hectare, increasing to \$10 in year 3 and 4. AME BC believes that this scale better reflects the general nature of mineral claim exploration, which is to acquire a large land package initially and then focus in on targets in year three and beyond. Year 5 and 6 should be at \$15.00 per hectare, and we recommend capping the high end of the work scale at \$20 per hectare. The slightly lower work level at year 7 and beyond will provide an increased opportunity for claim holders to weather low metal price cycles.
- 3.2 AME BC strongly supports re-setting the annual work level to year 1 for all mineral claims, while respecting the current expiry date. This will provide a soft transition into the new work levels and also provide some degree of impetus to claim holders to continue their exploration activities.

- 3.3 AME BC recommends the withdrawal rate for the 5 Year Portable Assessment Credit (PAC) to be \$40.00 per hectare rather than the proposed \$50.00.

4.0 Annual mineral claim cash payments:

- 4.1 AME BC supports the proposed change for cash payment to be double the relevant work value. We also recommend that cash payment only be allowed when applied for period of not less than 60 days.
- 4.2 AME BC suggests that government review other jurisdictions that have cash payment as an option for claim assessment. For example some jurisdictions refund cash payments if exploration work is conducted in subsequent years, which ultimately increases exploration on the ground.

5.0 Additional changes for the Regulation:

- 5.1 Exploration work conducted on a Crown granted 2 post claim (CG) is not eligible as assessment for adjacent mineral claim. The exclusion of such work increases the administrative burden and cost to claim holders. We recommend that work conducted on a CG be eligible as assessment credit to the adjoining claims.
- 5.2 AME BC recognizes that deposit development work or mine construction costs should not be an allowable assessment credit, however, there are situations where exploration is conducted within a lease area and the Regulation currently does not allow this work as exploration assessment. AME BC recommends that exploration work or some fraction conducted within the lease should be an allowable exploration assessment.
- 5.3 AME BC suggests that work reporting could be streamlined as a way to reduce the administrative workloads of government staff and claim holders. For example, prospector reports could be submitted using a form that may be completed and submitted online. We are prepared to work with the government to achieve the development of a streamlined online prospector report.

6.0 Miscellaneous changes

- 6.1 AME BC also requests the government bring into force the amendment to the Act to allow for subdivision of claims as set out in Bill 20, the Miscellaneous Statutes Amendment Act No. 2. This could be included in the required to effect the changes mentioned above.
- 6.2 AME BC has suggestions for improving Mineral Titles Online (MTO) and we understand that these changes will require funding in order to be achieved. Our recommendations are as follows:
 - 6.2.1 Modify the current MTO Tenure Overlap report to include specific First Nation contact information to facilitate better communication between the claim holder and the First Nation in which the claim is located.
 - 6.2.2 Revise MTO generated invoices to include basic information such as purchase type and amount, the payer and transaction identification number, as this will facilitate year-end accounting for claim holders.
 - 6.2.3 Construct a link in MTO to allow claim holder to check their own Portable Assessment Credit (PAC) balance as currently the claim holder must contact Branch staff which adds to the administrative burden of staff and additional delays to claims holders.
 - 6.2.4 Modify the MTO new claim acquisition by including a graphic which indicates cells that are not available, a process to deselect those cells, and the ability to proceed forward from that point without having to go back to the initial acquisition step.
 - 6.2.5 Enhance the MTO interface by adding hyperlinks from MTO Maps to Site Details for reserves, adding hyperlinks to definitions for acronyms and terminology and improving the linkage to tenure event details.