
NEWS RELEASE

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Office of the Premier
Ministry of Energy, Mines and Petroleum Resources

PROVINCE ENACTS NEW MEASURES TO SUPPORT MINING

VICTORIA – The Province intends to introduce legislation which, subject to the approval of the legislature, will extend the Mining Flow-Through Share Tax Credit to the end of 2009, retroactive to Jan. 1, 2009. The Province is also creating a new economic mining task force to help B.C.’s mining industry weather the worldwide economic downturn, announced Premier Gordon Campbell.

“Mining is an incredibly important industry for British Columbia families, workers and communities and this government is dedicated to making sure it remains a strong part of our economy,” said Premier Campbell. “In this time of economic uncertainty it’s imperative that we do what we can to encourage business and mining in B.C.”

Many companies in the resource and renewable energy sectors raise money through flow-through shares, which allow exploration companies to pass eligible expenses to investors. Under federal income tax rules, investors can deduct 100 per cent of the eligible exploration expenses.

The Mining Flow-Through Share Tax Credit was introduced in B.C. in 2001, paralleling a federal program. The 20 per cent B.C. Mining Flow-Through Share Tax Credit is available only to individuals. The combined effect of the flow-through share deduction, the federal credit and the provincial credit for an individual investor is to reduce the cost of a \$1,000 investment to about \$383.

Since the Mining Flow-Through Share Tax Credit was introduced, investment in mining exploration spending in B.C. has increased by 1,300 per cent from \$29 million in 2001 to a record high of nearly \$416 million in 2007.

The Economic Task Force for Mining will bring together industry leaders to monitor the economic situation and recommend measures to mitigate the effects of the global downturn on the mining industry.

“We want to manage the areas we can to ensure investment in B.C.’s mining sector remains strong,” said Minister of State for Mining Gordon Hogg. “By bringing significant innovation and experience to the table, we’ll be better positioned to ride out this drop in commodity prices.”

“The mineral exploration sector is pleased to see the B.C. government recognize the value of extending the Flow-Through Share Tax Credit,” said Association for Mineral Exploration of British Columbia (AMEBC) president & CEO Gavin Dirom. “This measure, with the creation of the Economic Task Force, will help B.C. attract investment and remain globally competitive in this challenging time.”

“On behalf of the Mining Association of B.C. and as a member of the Minister’s Council, I welcome today's show of support for our sector from the B.C. Government,” stated Mining Association of B.C. president and CEO Pierre Gratton. “A special task force focused on how to ensure B.C.’s mining industry weathers the economic storm all of us are facing is a timely, proactive step. It’s an opportunity to look at issues such as transportation, electricity, infrastructure, human resources – to name a few – to ensure we remain competitive in this difficult time and are well-positioned when the economy recovers.”

The Economic Task Force for Mining will report through the Minister’s Council on Mineral Exploration and Mining. Established last September, the council was created to recommend initiatives and policies for a sustainable, responsible mineral industry.

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