

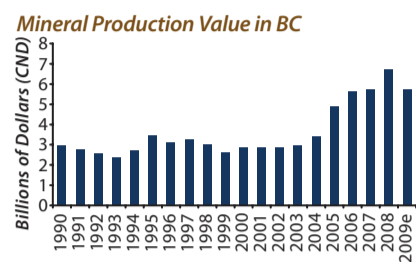
# KSM PROJECT



## BC Mining Overview

The mining industry has played an important role in the economic development of British Columbia. Currently, the industry directly employs over 7,500 people, and is the largest employer of Aboriginal peoples in Canada. The BC mining industry is a significant financial driver contributing billions of dollars to the federal and provincial gross domestic product (GDP) annually.

British Columbia's mining industry utilizes both the open pit method (mining ore found at the surface, generally with large trucks and excavators or power shovels) and underground method (mining ore located beneath the surface using tunnels). Gold-copper mines, like the KSM Project, are usually open pit operations that use advanced technology and large equipment to profitably mine low grade ore with minimal environmental effects.



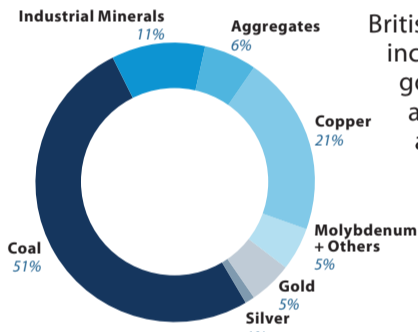
Operating Mines and Selected Major Exploration Projects



Mining is thoroughly regulated at both the provincial and federal levels. The mining industry in BC has established environmental protection as a priority objective in the development, operation and closure of mines. There are several stages in the life of a mine:

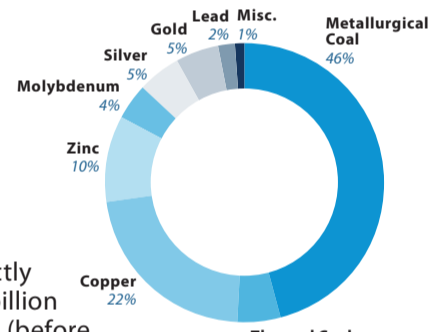
- Exploration:** Low impact field work is conducted to locate and evaluate the economic potential of mineral resources.
- Environmental Monitoring:** Comprehensive environmental and social studies are conducted prior to mine development and monitoring continues throughout the lifetime of the project.
- Assessment and Permitting:** Mining projects must obtain an Environmental Assessment Certificate from the government and multiple permits prior to project development.
- Construction:** Before mining commences the site is prepared by removing the rock and soil overlying the ore, and building access roads and infrastructure.
- Operation:** Ore and metals are extracted and processed while non-ore bearing rock and by-products are carefully stored.
- Closure and Reclamation:** The mine site is stabilized and environmental restoration is conducted.

## BC Minerals



BC Minerals Mined in 2009

British Columbia's mineral production includes copper, coal, zinc, molybdenum, gold, silver, lead and aluminum along with aggregates (sand and gravel). Coal, copper and molybdenum are BC's first, second and third most valuable mineral products.

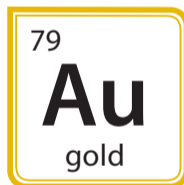


BC's Net Revenues of Mining in 2009

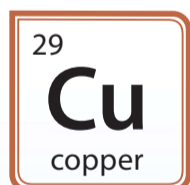
BC's mining industry contributes directly to the GDP. In 2009, it contributed \$7 billion with net sales of metals and minerals (before expenses) of \$5.7 billion. Coal and copper provide over 68% of the financial benefits.

## Gold

Gold is a precious metal and a very valuable commodity. It is easy to work with, and is a strong conductor of electricity. It is most known for its use in jewelry, coins, ornamentation, electronics, and heat reflective plating. Gold has been discovered on every continent.



## Copper



Copper is a base metal and an excellent conductor of both electricity and heat. It is the third most used metal after aluminum and steel. It is known for its use in electrical wires, coins, medical equipment, medicine, pipes, and alloys (brass, bronze, pewter). Presently, 15% of copper use is from recycled materials.

