August 11, 2026

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Via email: HonTim.Hodgson@nrcan-rncan.gc.ca; minister-ministre@fin.gc.ca

Honourable Tim Hodgson
Minister of Energy and Natural Resources
Natural Resources Canada
580 Booth Street, 11th Floor
Ottawa, ON K1A 0E4

Honourable François-Philippe Champagne
Minister of Finance and National Revenue
90 Elgin Street
Ottawa, ON K1A 0A6

Dear Ministers Hodgson and Champagne:

British Columbia (B.C.) and Canada share a common objective of growing and strengthening the competitiveness of our mineral exploration and mining sector. The Province appreciates its ongoing collaboration with Canada in advancing these shared priorities.

I am writing to discuss the B.C. Association for Mineral Exploration call to adjust the Canadian Exploration Expense (CEE) framework, and specifically how it pertains to the B.C. Mining Exploration Tax Credit (METC) and the B.C. Mining Flow Through Share Tax Credit (FTSTC). Under the Canada-B.C. Tax Collection Agreement, B.C. strives to ensure that definitions and provisions within the B.C. *Income Tax Act* are harmonized to those within the federal Act, where possible. Harmonization ensures that a common tax base is maintained, which promotes simplicity, administrative efficiency, and economic effectiveness. The 2026 B.C. Budget confirmed alignment and planned amendments to our *Income Tax Act* and the MTEC/FTSTC, to align with pending Federal changes to the CEE.

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Ministry of Mining and Critical Minerals

Office of the Minister

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B.C. is a world-leading mining jurisdiction with a strong mineral exploration and mining sector. Major mining projects in our province are central to Canada's economic future, representing billions in capital investment and thousands of good, family supporting jobs. As we work together to advance critical mineral development, attract investment and grow our economy, the continued success of this sector – and particularly those companies who are entering development phases – depends on a regulatory and fiscal framework that recognizes the risks and realities of modern mineral exploration and mining.

Major mining projects across B.C. continue to face financing challenges in the late stages of permitting as they prepare for development, an investment phase known as "the valley of death". This is a pre-revenue generating phase of work that is characterised in part, by feasibility and engineering studies and a time period of minimal news flow to the investment community resulting in a lack of investor excitement in public markets. The "valley of death" is a particularly difficult period for companies (especially single asset companies) to finance their projects, compounded by the breadth of technical studies that a modern mining project requires to proceed through regulatory processes.

It is in this spirit that B.C. supports A.M.E.'s recommendation that Canada re-evaluates the CEE framework to ensure it is aligned with our shared goals of strengthening Canada's exploration and mining financing system, improving investment certainty and access to financing for advanced-stage projects. This will continue to strengthen Canada's position to advance the mining and critical mineral projects that we need to support long-term economic growth, resource security, and supply chain resilience.

Sincerely,

Jagrup Brar

Jagrup Brar
Minister

pc:
Todd Stone, President and CEO of the Association for Mineral Exploration
Jack Middleton, Vice President, Policy and Advocacy, Association for Mineral Exploration