

March 14, 2019

Mr. Kevin McNamee
Director
Protected Areas Establishment Branch
Parks Canada
Via email: kevin.mcnamee@canada.ca; pc.southokanagan.sud.pc@canada.ca

Dear Mr. McNamee:

Re: Proposed National Park Reserve Concept in the South Okanagan-Similkameen

The Association for Mineral Exploration (AME), on behalf of our members, appreciates the opportunity to provide our comments on the paper, *Let's Talk – South Okanagan-Similkameen: An Overview of the Proposed National Park Concept in the South Okanagan-Similkameen, British Columbia*.

AME is the lead association for the mineral exploration and development industry based in British Columbia. Established in 1912, AME represents, advocates and promotes the interests of almost 5,000 members who are engaged in mineral exploration and development in B.C. and globally. AME encourages a safe, economically strong and environmentally responsible industry by providing clear initiatives, policies, events and tools to support its membership in delivering responsible projects that advance reconciliation and provide benefit to all British Columbians.

We appreciate the recognition over the past decade by the Sylix/Okanagan Nation and the Province of British Columbia of the historical importance of natural resource development to the South Okanagan-Similkameen and the mineral potential that remains in this area. We note that this area has a rich history of mineral production, and holds future mineral potential through the presence of high-grade gold and silver deposits and showings. However, despite this history and potential, current consultation materials related to the proposed national park reserve does not provide clarity regarding the role of mineral tenure within the “working boundary” of the proposed national park reserve.

Our submission focuses on three requests in regard to the proposed national park reserve:

- Modification of the working boundary in the vicinity of existing tenure along Fairview Road
- Assessment of mineral potential; and
- Clarity regarding “willing-seller, willing-buyer” compensation for any expropriated tenure.

We thank you for considering our comments, and we look forward to continuing to be engaged in discussions regarding the proposed national park reserve.

Sincerely,



Edie Thome
President & CEO
Association for Mineral Exploration

cc: The Hon. Catherine McKenna, Minister of Environment and Climate Change Canada
The Hon. Amarjeet Sohi, Minister of Natural Resources Canada
Sean Fraser, Parliamentary Secretary, Environment and Climate Change Canada
Hon. Doug Donaldson, B.C. Minister of Forests, Lands, Natural Resource Operations and Rural Development
Hon. George Heyman, B.C. Minister of Environment Climate Change Strategy
Hon. Michelle Mungall, B.C. Minister of Energy, Mines and Petroleum Resources
AME Board of Directors
Peter Robb, Assistant Deputy Minister, B.C. Ministry of Energy, Mines and Petroleum Resources
Jim Standen, Assistant Deputy Minister, B.C. Ministry of Environment and Climate Change Strategy
Richard Manwaring, Assistant Deputy Minister, Regional Operations South, B.C. Ministry of Forests, Lands, Natural Resource Operations and Rural Development
Sean Rogers, Director, Natural Resources Canada
Sarah Boyle, Project Manager, South Okanagan-Similkameen National Park Reserve, Parks Canada
Pierre Gratton, President and CEO, Mining Association of Canada
Lisa McDonald, Executive Director, Prospectors and Developers Association of Canada
Lindsay Kislock, Vice President, Mining Association of British Columbia

MINERAL EXPLORATION IN THE SOUTH OKANAGAN - SIMILKAMEEN

The Association for Mineral Exploration (AME) supports the responsible and sustainable development of British Columbia's natural resources. We recognize the importance of protecting biologically diverse and rare ecosystems and in reconciliation with Indigenous groups, which includes the renewal of nation-to-nation relationships between the federal government and Sylix/Okanagan Nation. We also support sustainable economic development.

Mineral exploration is the first step in the mining life cycle. Mines have a finite life, and new discoveries are needed to replace the mineral resources that have been mined. Mineral resources are hidden, and the location of the next major discovery is impossible to predict – even in areas with a history of mining.

Mineral exploration also leads to the discovery of minerals and metals required for renewable energy generation and battery storage for a low-carbon future. This includes metals such as copper, lead, molybdenum, cobalt, and silver that are important exploration targets in B.C. The B.C. mineral exploration and mining industry follows some of the best, global-leading practices in environmental management and community involvement. This includes aspects such as environmental assessment, reclamation bonding and early community engagement.

Mineral exploration provides significant socio-economic opportunities and benefits to communities and Indigenous groups in B.C. and across Canada. In fact, mineral exploration and mining are the largest private sector employers of Indigenous peoples in Canada.

Locally, in the area under consideration for a national park reserve, gold production began in Fairview in 1893, and last occurred in 1984. The proposed park reserve contains three recently active mineral exploration properties that contain past-producing mines: Hi Ho Silver Resources Inc.'s Fairview Gold Project in the vicinity of Fairview Road near Oliver, David Jensen's mineral tenure that includes the past-producing Dankoe-Utica Mine along Highway 3 southeast of Cawston, and Forty Ninth Ventures' Dividend property west of Osoyoos. A new high-grade gold vein was discovered on the Dividend property as recently in 2011, highlighting the area's mineral potential.

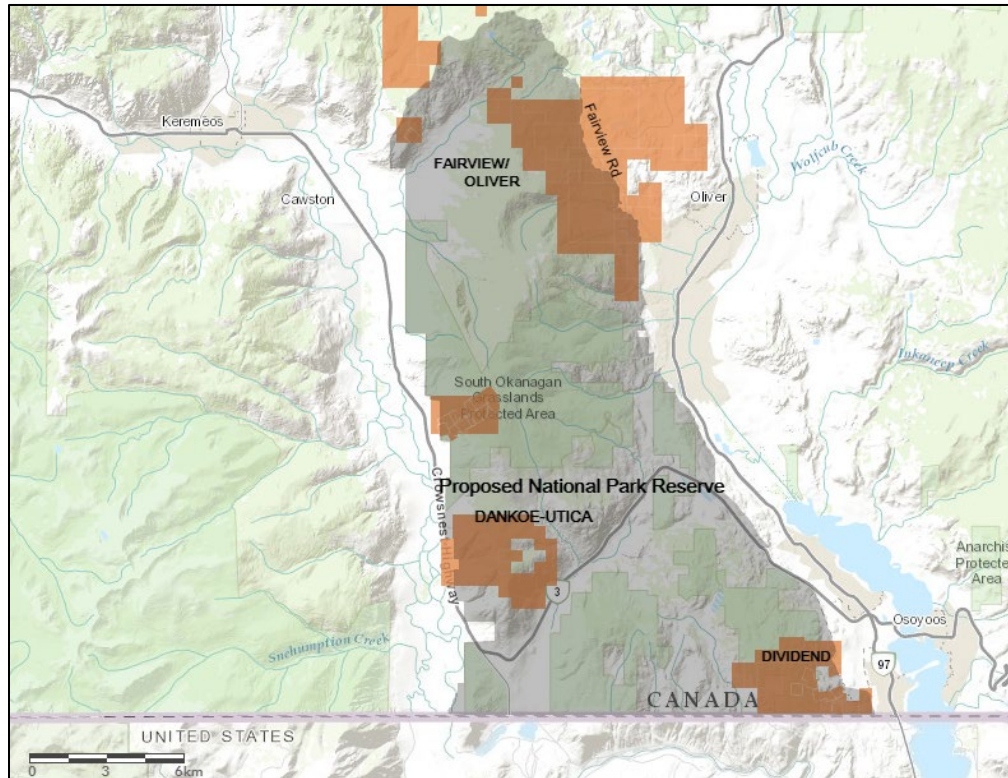
The B.C. Geological Survey ranked the tract that includes the Fairview and Dividend areas very high in metallic potential in its 1992-1997 Mineral Potential Project – in fact, out of 794 tracts covering the whole province, it was ranked 777 – or 18th highest. The past role of mineral exploration and mining has been discussed in papers by the Province of B.C. and Okanagan Nation Alliance; the nature of mineral exploration and mining is also discussed at length in the Okanagan – Shuswap LRMP Approved Plan.¹

¹ The role of mineral exploration and mining as well as the nature of mineral tenure has been discussed in these papers:

The future role of mineral tenure, and related activities, however, is not discussed in the paper, *Let's Talk – South Okanagan-Similkameen: An Overview of the Proposed National Park Concept in the South Okanagan-Similkameen, British Columbia*.

South Okanagan – Similkameen Proposed National Park Reserve

Mineral tenure as of February 26, 2019 highlighted in orange.



Intentions Paper – Protected Areas Framework for British Columbia’s South Okanagan Consultation Summary
<http://www.env.gov.bc.ca/bcparks/planning/pdfs/consultation-summary-so-ip.pdf>

Appendices to Final Report: Assessing Feasibility of a Syilx/Parks Canada Protected Area: Findings and Guiding Concepts. <https://www.syilx.org/wordpress/wp-content/uploads/2013/02/Appendices-to-Final-Report-Assessing-Feasibility-Findings-and-Guiding-Concepts-Jan-31-2013.pdf>

Okanagan – Shuswap Land and Resource Management Plan.
<https://www.for.gov.bc.ca/ftp/toc/external/!publish/SAR/OSLRMP%20full.pdf>

MODIFICATION OF THE WORKING BOUNDARY

The working boundary of the proposed South Okanagan-Similkameen National Park Reserve closely follows Fairview Road in the vicinity of Fairview (p. 14 of the paper, *Let's Talk – South Okanagan-Similkameen: An Overview of the Proposed National Park Concept in the South Okanagan-Similkameen, British Columbia.*). Much of this area contains overlapping mineral tenure and private land. We request that the mineral potential of this area together with overlapping interests be considered in drawing the final boundaries of the park reserve. We suggest that removing lands along Fairview Road from the reserve and offsetting this removal with adding land with lower mineral potential and similar natural values to the park reserve.

We note that Parks Canada has specifically considered redrawing the boundaries of the proposed park reserve in the past to exclude the Fairview/Oliver Gold Camp. In correspondence between David Jensen, Fairview Gold Mine tenure holder in the Fairview/Oliver Gold Camp, and Doug Harvey, Chief, New Park Proposals (South), Park Establishment Branch, Parks Canada, in January 2009, Mr. Harvey advised David Jensen that a boundary would be changed “so that all of the claims are outside the proposed park”. This approach is consistent with that taken in Nahanni National Park Reserve, where the Prairie Creek mine has not been included within the park, and access through the park reserve to support mining activities is provided through the *National Parks Act*. Although the Fairview Road properties have not seen much recent exploration work, there continues to be considerable exploration potential.

Furthermore, a “willing-seller, willing-buyer” strategy along Fairview Road would create a patchwork of park, Crown land and tenure, and private land that would eventually make it impossible to develop a mine. We suggest that there may be the possibility of offsetting this removal with adding land with lower mineral potential and similar natural values to the park reserve.

ASSESSMENT OF MINERAL POTENTIAL

As outlined above, the area of the proposed South Okanagan National Park is underlain by some of the highest mineral potential rocks in the province. Ensuring that areas with high mineral potential, such as the Fairview camp, lie outside the national park reserve would provide certainty that mineral potential continues to be an important consideration in land use planning. In order to properly assess the mineral potential before finalizing the park boundaries more detailed, current research, similar to what was conducted prior to the expansion of Nahanni National Park Reserve would be required. We request that such work is conducted before finalizing the park reserve boundary.

COMPENSATION FOR MINERAL TENURE

There are areas within the working boundary of the proposed national park reserve that have mineral potential and continue to be considered by mineral tenure holders for development; significantly, these areas including the past-producing Dankoe-Utica silver mine that has continued to see exploration following closure in 1984.

We request certainty that the “willing-seller, willing-buyer” policy of Parks Canada respects the ability of individual tenure holders and related parties to continue to advance projects toward development and operation provided that these operations protect the integrity of the shrub steppe ecosystem and provide opportunities for local communities and Indigenous groups.

In the event that Parks Canada includes areas covered by mineral tenure in the proposed South Okanagan-Similkameen National Park Reserve, compensation will have to be paid by government to mineral tenure owners. This is acknowledged by Parks Canada’s “willing-seller, willing-buyer” policy that has been incorporated into the *National Parks Act* as well as British Columbia’s *Mining Rights Compensation Regulation*. A range of approaches has been used to determine the cost of compensation for expropriating mineral tenures, but at a minimum, the cost would include acquisition, permitting and exploration expenditures. However, it is also reasonable to consider the loss of potential for future mineral production and loss of market value to the companies holding mineral claims.

A couple of recent cases in B.C. highlight potential costs. In the Blizzard uranium project, Boss Power received \$30 million in compensation in 2012 after B.C. banned exploration for uranium and would not permit the project. The Province had estimated compensation should be \$6.7 million, a B.C. Supreme Court independent report estimated \$8.7 million and Boss Power estimated between \$59 and \$96 million. The parties settled at \$30 million. Also in 2012, Cline Mining received \$9.8 million in compensation for coal claims in the Flathead valley they acquired before it became a protected area. Other companies were also compensated for their claims in this area, but the compensation amounts are not public.

Although the area under tenure within the working boundary is relatively small, the overlay of fee-simple Crown grants, Crown grants with mineral rights and mineral tenure, we anticipate that a range of compensation strategies within a “willing-seller, willing-buyer” regime.