

Speech to WL Chamber of Commerce
October 29, 2009

Exactly one year has passed since I stood before you to reassure your members that despite the steep drop in commodity prices, coupled with the wholly exceptional collapse of world financial markets, the Gibraltar Mine was successfully riding out the storm ...

... and that the people and businesses of Williams Lake and the Cariboo, baring a worsening disaster, could continue to rely on the contribution Gibraltar makes ...

... we would continue to generate over \$300 million in annual revenue accruing to the province,

... we would continue to maintain our core workforce ...

... we would continue the spending of some \$30 million per year in salaries, the vast majority of which flows directly into the community of Williams Lake ...

... and we would continue our approximate \$100 million in annual spending, purchasing the goods and services required to operate that remarkable facility.

I am happy to tell you today, that we've done all of that ... the Gibraltar Mine continues to hum along 24 hours a day 7 days a week extracting copper and delivering opportunities for people.

Today, my remarks will be directed not to our Gibraltar Mine, but will instead be directed to the future potential development of our new mine -- Prosperity.

The Prosperity Gold-Copper Project, 125 km southwest of here, is undergoing two environmental assessment review processes -- one provincial and one federal.

The provincial process, conducted by the Environmental Assessment Office, is nearing the final phase of its work.

We expect that office to refer the report to provincial ministers on or before December 7th.

The Ministers of Environment and Energy Mines and Petroleum Resources will then have 45 days by which to render a final decision on the project. Barring any unforeseen process delays, we expect a decision by the provincial government on or before January 20, 2010.

The federal process, conducted by an independent 3-person Panel is now, disappointingly, not expected to begin conducting formal public hearings until January, at the earliest. How long this process will take is unknown and uncertain.

We had hoped, and we were informed by the federal government, that the panel process phase of the review would be completed by October. They have failed to do so.

While the more than 11,000 people of this community, and the 62,000 or so people living in the Cariboo Regional District continue their struggle to survive this protracted recession ... hoping for some significant good economic news to come their way ... the federal departments, safely cocooned and isolated in distant Ottawa, removed from the anxiety and struggle faced by those in the central BC interior, stand aloof, looking down, appearing to be busy but indifferent to the passing of time ... and the opportunity that may be passing with it.

For the provincial government's part, while the environmental assessment process has for our company been a time-consuming and expensive undertaking ... one that has taken more time, more energy, more study, and cost more money than we could possibly have anticipated ... great care is being taken by Taseko and by provincial authorities to ensure delivery of a completely thorough examination, one which is fully transparent.

It is the provincial government that is responsible for mine development in BC, not the federal government. The federal government responsibilities are limited and narrow, while provincial responsibilities are broad and deep.

So what will the two governments, each with their specific areas of responsibilities, decide in the end? I will tell you about it.

They will decide the future of Prosperity – whether it is allowed to proceed, or whether it is stopped cold in its tracks.

In making their decision, regardless of what they decide, they will be determining in large measure the future course for the more than 73,000 people living here in the Cariboo.

One course will choose to uphold the status quo ...

NO development of the mine ...

NO Prosperity ...

NO opportunities for new job creation or local business development or wealth creation ...

... keep the minerals in the ground where they are of no value to anyone and force the community and its people to find other means by which to carry on their struggle against the deteriorated economic and social condition presently faced.

The other course, will choose to embrace the future possibilities associated with Prosperity ... allow the minerals in the ground to be harnessed, to be put to work generating opportunity, creating economic and social benefit for the people who live here.

Let's assume the governments decide to allow the mine to proceed AND the company then makes a decision to build the mine. What will happen? Here's what will happen.

The company will begin to spend ...

- The \$800 million initial capital required to build the mine
- 700 construction workers, many of whom I expect to come from Williams Lake and the central interior, will commence their task, a task that will take them 2-years to complete;
- Once constructed, 500 people working in shifts around the clock, will be required to operate the mine

- 1,200 additional indirect jobs will be needed to support the enterprise, helping to deliver services and supplies to the support structure required of an enterprise that will operate for a minimum of at least 20 years.
- Every year, the enterprise will spend into the local, regional and provincial economy \$200 million – a total spend of \$5 billion over the 20+ year operating life of the mine.
- All of this effort, all of this spending, all of this employment, all of this opportunity will contribute significantly to the future stability and health of regional communities in the Cariboo-Chilcotin, IF Prosperity is built.

And not just the Cariboo-Chilcotin will benefit – BC and Canada will benefit.

Here's what it means to the people of BC and Canada.

- 2.1 thousand person years will be required to build the Prosperity Mine.
- Prosperity will generate 60,000 person years of employment
- Consumer spending in BC will rise by \$300 million per year because of Prosperity, for a cumulative total of almost \$7 billion in spending by consumers, by everyday citizens of BC.
- Residential investment expenditures in the province will rise by \$750 million over the project period. People buying homes, condos, townhouses, apartments.
- Investment in machinery and equipment will rise in BC by \$1.1 billion over the project period. That's people buying machinery to produce other goods and transport materials.
- The province's population will rise almost 5 thousand persons during the project to meet provincial employment requirements. In other words 5,000 people will be drawn to BC simply because the Prosperity mine exists and is opening up employment opportunities elsewhere in the economy.

- Prosperity will add .3% to the provincial GDP and maintain that contribution for 20 years. To give you some context for the significance of this ... In 2008, for the first time in more than a quarter century, the provinces GDP declined. First decline since 1982. It declined .3%. Prosperity, on its own, would have offset that decline.
- The biggest winners from mining today are governments, the government of BC and the government of Canada, the people of this country. Cash to the bottom line -- almost \$1.0 billion for the Federal Government; \$2.3 billion for the provincial government – money that will be available to spend on health care, education, social service

If this mine is to proceed it will depend on three things – sound economics; regulatory approval, public acceptance.

We have proven the project is feasible. The economics are sound.

We have proven the project is scientifically and technically achievable and environmentally responsible. Regulatory approval is expected. But it by no means is guaranteed.

While we believe there is solid public support and acceptance of this project, it is not universal.

Some First Nation chiefs have expressed strong and inflexible positions on the Prosperity Project, views which they are entitled to hold.

My belief however is that the First Nations people themselves hold other views ... views that are more flexible, thoughts that are more progressive, ideas that look to the future with hope and optimism, they believe that not all change is bad.

I believe there exists the ability to combine the historic First Nation traditions and ancient practice with the benefits of full participation in modern society -- with its comforts and joys, its opportunities and rewards.

There are ways to achieve the best of both the traditional and the new, ways that don't abandon the past but rather preserve it, strengthen it and celebrate it.

I believe First Nations people hold in their hearts many of the same hopes and dreams for themselves and their children that you and I hold in ours.

Aboriginal people want to succeed in their own life and they want their children to succeed in theirs. No different than you and I.

With Prosperity comes the opportunity to change the future for First Nations without abandoning the past – the opportunity for increased self-reliance, greater self-confidence, and the pride and personal accomplishment that can come through employment and business development.

Economic development and success leads directly to an improved social condition -- better health, higher education. Economic power gives people independence, personal freedom, the ability to take charge of their own affairs, and renders true and lasting political power.

The TNG chiefs may be against this project -- and they may be committed to stopping it as they say they are -- but I don't believe the aboriginal people are against this project.

In this City of Williams Lake there exists a population of more than 11,000 citizens -- going about their daily lives, raising their families, working at their businesses, contributing to community service -- sturdy, industrious, hardworking people.

With the local economy struggling to find firm footing, no doubt these same people are spending time wondering about their future, worrying about what the coming months and years might hold for them.

And what of the retired people who live here ... people dependent on their life savings and on their pensions for their survival? No doubt they too wonder about what the future holds for them.

In that group of retired persons, at least in part, reside some members of the Council of Canadians. They too look to the future with concern, but not

with a view of where economic development might come, but with a worrying eye on the potential environmental impact of human activity.

Let me assure those members of the Council of Canadians that we too care for the environment. As a demonstration of our effort, let the record show that we have put forth the expenditure of tens of millions of dollars to ensure that our engineering and the application of our technology results in the security of those things that are of concern to you.

And let me also assure the Council of Canadians, that through our work and our investment, and through the employment we will provide and the economic stimulus we will generate, there will be wealth and stability created to help keep those pension funds from running dry due to a lack of economic progress and growth in this province.

Ladies and gentlemen, we have before us an increasingly rare opportunity, the chance to build a mine of lasting social, community and economic value and benefit.

But if that opportunity is to come true, if it is to become more than drawings on paper, it will take your voice and your public participation to make it happen.

The circle of public support for Prosperity is broad, encompassing many people from many different walks of life. But the circle of support must be broadened even wider.

It must include as many people as possible, as many organizations as possible, as many community leaders as possible – business, social, environmental, recreational and civic.

Widening the circle of support for Prosperity – when you leave here today, that should be the aim of all of us who believe Prosperity has a role to play in the future of this region.

When I first stood before you three years ago, I speculated that if this community wanted the Prosperity mine to be built, the community itself would have to stand up for what it wanted ... and the community has done so.

When the provincial government came to Williams Lake back in April of this year as part of their Environmental Assessment process you filled the Gibraltar room to overflowing.

More than 500 of you made a dramatic visual statement that night-- with your presence, with your comments and questions, and with your declarations of support for Prosperity.

Rarely is there an assembly of such numbers for the positive purpose of doing something.

You raised more than a few eyebrows, not just here at home, but hundreds of kilometers away in Victoria.

There is one last push required of you.

It's called the Panel Review process. 3 people from far away, as members of the federal Review Panel, will have a great deal to say about your future.

This time your voice must travel farther, you must be heard and felt 2-time zones away, right across the country, all the way back to Ottawa.

When this 3-member Panel comes to town -- expected now to be in January or perhaps February sometime -- to hold their public hearings and to listen to what people have to say, make sure you take a moment to let them know how you feel.

Do one of two things:

- 1) Either come to the hearings to tell them about the future you see for this area and whether or not you believe Prosperity should have a role to play in that future.
- 2) Or ... write a quick note or send an e-mail to the Panel, expressing your views, your concerns or your ideas.

It's your future, have something to say about it.

Thank you ... and continued success to all of you in your businesses and in the leadership you are showing for this community.