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The BC Ministry of Energy and Mines<sup>1</sup> recently prepared a report outlining the opportunities in British Columbia's mining industry. *Opportunities to Explore: British Columbia Mining and Minerals*<sup>2</sup> is targeted at potential international investors and offers information on infrastructure, taxation, workforce and support services for the industry. The report also includes highlights of the BC mining industry and details regarding BC's mineral and metal resources.

The report is reflective of BC's active encouragement of investment, including investment by non-Canadians. There are nearly 1,000 foreign-owned firms operating in the province, which represent nearly one-quarter of all corporations, across all sectors. The mining sector in particular attracts significant investment from abroad; over the last three years, foreign investment in BC mining operations totaled more than \$2.2B, and there are considerable opportunities for further expansion.

BC is Canada's top producer of copper, largest exporter of coal and the country's only producer of molybdenum. More than half of the province's copper, coal and molybdenum mines, either operating or under development, are located in Northern BC. The province also ranks highly as one of

Canada's top producers of gold, silver, lead and zinc, resources which are strongly present throughout the northern region.

The Province has taken steps to ensure continued development of the BC mining industry. These are detailed within the report and include: providing tax incentives for companies and subsidiaries based in Canada; contributing funding for the Northwest Transmission Line which will provide economical and reliable power needed to spur on new mining development in the northwest region of the province; and investing millions of dollars toward education and research to support the growth of mining activities.

Mineral and metal resource exploration activity continues to be strong year after year in BC, indicating that there will be a significant number of mine development projects coming over the next decade, many of them located in the northern part of the province.

Exploration expenditures in BC totaled \$322M in 2010, with \$229M of the exploration occurring in Northern BC mining regions. Over the past five years, more than \$1B has been spent on exploration across the northern region, and last year alone, there were 69 major exploration projects underway, 8 proposed mines and 3 mines under development in Northern BC.<sup>3</sup>

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Despite considerable exploration in recent years, BC's mineral and metal resources are still under-explored. As resources continue to be discovered in coming years, new investment opportunities will emerge.

Mine development opportunities are supported by a large service sector with the knowledge and expertise needed to make the most of the province's rich mining resources. BC has the world's largest concentration of mining and exploration companies and mining professionals; more than half of Canada's mining and exploration firms are based in BC. These companies work together with development and production partners to develop the province's mining resources, growing the province's export base. Currently, more than 80% of BC's mineral production is exported around the world.

Future mine developments across the region will continue to diversify business activities within the city as companies respond to new resource opportunities. Prince George is well-positioned to participate in the continued growth of the mining industry in Northern BC. The city is the service and supply hub for Northern BC and has a strong concentration of companies that provide support to the continued development of the mining industry.

<sup>1</sup> In partnership with the Association for Mineral Exploration BC, the Mining Association of BC and Geoscience BC.

<sup>2</sup> To view the complete report, visit [http://www.em.gov.bc.ca/Mining/investors/Document/s/Opps\\_Mar2011\\_Eng.pdf](http://www.em.gov.bc.ca/Mining/investors/Document/s/Opps_Mar2011_Eng.pdf).

<sup>3</sup> BC Ministry of Energy and Mines, *Exploration and Mining in British Columbia 2010*.



## Economic Statistics

### Employment

There were 48,900 persons employed in Prince George in June, up 2.1% (1,000 persons) from the previous month. The number of persons engaged in the labour force also increased (2.2%; 1,100 persons); as the labour force increase was accompanied by a similar increase in employment, the number of unemployed persons was relatively unchanged. Consequently, the unemployment rate decreased slightly to 6.0%. In BC, the number of persons employed and in the labour force declined by 0.4% and 0.7%, respectively; with a larger decline in the labour force relative to employment, the number of unemployed persons decreased by 4.7%. Across Canada, employment and the labour force increased by 0.2%, leading unemployment to increase by 1.0%. As a result, the provincial unemployment rate declined by 0.3% (to 7.3%) while the national rate was unchanged at 7.4%. Prince George's working age population was unchanged again last month, and the employment rate increased 1.4% to 68.8%; the employment rate decreased 0.3% in BC and increased 0.1% in Canada (to 60.0% and 62.0%, respectively).

(Source: Statistics Canada Labour Force Survey)

### Real Estate

592 properties worth \$136.3M changed hands in the first six months of the year, compared with 635 properties worth \$139M in the same period last year. There were 90 single family homes sold in Prince George in June, 7 fewer than in June 2010, with an average price of \$250,122 (on par with the



same month last year). Year-to-date, the average price of a single family home was down 0.5% compared to the first six months of 2010; unit sales were down 7.8%. Comparatively, average prices were up 16.1% and 8.3% in BC and Canada, respectively, year-to-date; unit sales were down 0.6% and 3.5%, respectively, as of the end of June.

(Source: BC Northern Real Estate Board; Canadian Real Estate Association)

### Housing Construction

There were 9 housing starts in Prince George in June (all single family dwelling units), compared to 16 starts (all single dwelling units) in the same month last year. Mainly a result of a larger number of multiple dwelling units, year-to-date starts at the end of June were up 5.1%, compared to the first six months of 2010.



Comparatively, housing starts were down 0.6% in BC and 1.6% across Canada for the same period. There were 8 residential units completed in the city in June (all single family units), 13 fewer than in the same month in 2010, and there were 183 housing units under construction (111 single family and 72 multiple dwelling units); 10 fewer than in June 2010.

(Source: Canada Mortgage and Housing Corporation)

### Building Permits

The City of Prince George issued 70 building permits valued at \$4.6M in June, down 78.9% compared to the same month last year. Residential building permits accounted for 83.6% of the total value of permits issued in the city, with permits for 12 new

single family dwellings making up 80.3% of the value of this category. Commercial permits accounted for 11.0% of the permits issued, with renovation permits for the Hart McDonald's and the 5<sup>th</sup> Avenue post office building downtown making up the majority of the category. Industrial building permits accounted for 4.3% of the permits issued in June, with Institutional permits accounting for the remaining 1.1%. Year-to-date, the value of permits issued in the city was down 35.4% at the end of June. Comparatively, permits were up 0.2% provincially and down 1.5% nationally at the end of May.

(Source: City of Prince George; Statistics Canada)

### Business Licenses

The City of Prince George issued 80 business licenses in June (42 new licenses<sup>4</sup> and 38 renewals). 3 of the new licenses issued were a result of existing business changing location.

(Source: City of Prince George)

### Airport Passenger Volumes

32,476 passengers passed through the Prince George airport in June, 2.4% fewer than in June 2010. Year-to-date, passenger traffic through the airport was down 1.0% compared to the first six months of last year. Comparatively, traffic through the Vancouver airport was up 0.5%, year-to-date, at the end of May.

(Source: Prince George Airport Authority; Vancouver Airport Authority)



<sup>4</sup> New business licenses are issued when a new business is established, when a business is re-established after not operating for a period of time and when a business changes ownership or relocates.