



MINISTRY OF ENERGY, MINES AND
PETROLEUM RESOURCES

FOR IMMEDIATE RELEASE

1989:5

February 2, 1989

AFTON EXPANSION GETS CABINET GO-AHEAD

Victoria, B.C. - Afton Mines' application to develop its 27-million-ton Ajax copper/gold ore body has been given approval in principle by the B.C. government's Environment and Land Use Committee, Mines Minister Jack Davis announced today.

The move follows extensive consultation under the Mine Development Review Process with local water-users, federal and provincial government agencies and the company over fishing access to Jacko Lake, impacts on water supply and ways of maintaining the 180 existing jobs at the mine without lay-offs.

"The company resolved a key public concern when it signed a formal agreement with the Kamloops and District Fish & Game Association guaranteeing access to Jacko Lake," said Davis.

With the approval, Afton can now apply for detailed permits for its \$12-million development. Ore will be trucked from two new open pits at the Ajax site along a new 10-kilometre haul road to the company's existing Afton millsite. Only minor modifications will be needed at Afton to handle the new ore and associated tailings.

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"Local water-users have also had their concerns addressed by the bond the company is posting and by their plans to improve the dam at Jacko Lake," noted Environment Minister Bruce Strachan.

The copper concentrates will be trucked to Ashcroft after milling, loaded on railway cars bound for Vancouver, where they will be shipped to smelting facilities in Japan. Gold will be recovered and sent to refining.

The Ajax project is planned to extend Afton's life for at least another seven years. Afton has been mining and milling in the Kamloops area for the past 12 years. The operation is owned by Teck Corporation, a British Columbia company, and will be implemented through its subsidiary Afton Operating Corporation.

For further information contact: Irwin Henderson
Director, Communications
(604) 387-5178



Province of
British Columbia

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Energy, Mines and
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April 17, 1989

Mr. Wolf P. Nickel
Mine Manager
Afton Operating Corporation
PO Box 937
Kamloops, BC
V2C 5N4

Dear Mr. Nickel:

Re: Afton Gold/Copper Project - Stage I Review

In accordance with the attached 1989-02-01 letter from the Honourable Bruce Strachan, Chairman of the Environment and Land Use Committee, to yourself, I am forwarding to you a compendium of detailed government Stage I review comments. This document outlines outstanding matters to be addressed at Stage III (the permit acquisition stage). We apologize for the delay in forwarding to you this official documentation of the results of government review of the Stage I submission, occasioned by the press of other work, and we hope that the delay has not caused your company any significant inconvenience.

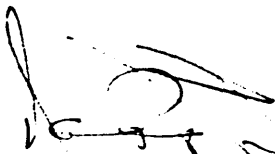
In any event, we have previously forwarded to you the key individual Ministry review memos, and it is our impression that you have made substantial progress in addressing outstanding concerns. In fact, while we have attempted to update the attached documentation to reflect recent iterations between your company and government agencies, there may be some instances where greater progress has already been achieved than we report. For the present, suffice it to say that your company, if it has not already done so, is now expected to take the initiative in approaching government agencies directly on a one-on-one basis to discuss, evaluate and ultimately resolve outstanding concerns during Stage III. Discussions with relevant Ministries should begin as soon as possible.

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By copy of this letter I am circulating the Stage I review compendium to all government participants in the Mine Development Review Process for this project. I would ask all relevant government agencies to cooperate fully in the achievement of an expeditious resolution of outstanding matters, whether of a permitting or non-permitting nature.

In closing, on behalf of the MDSC and all MDRP participants, I wish to echo the ELUC's thanks for your company's excellent cooperation with the MDRP to date. Please call me if you have any questions or comments relating to either the foregoing, or the attachments.

Yours truly,



Norman Ringstad, Secretary
Mine Development Steering Committee
c/o Engineering and Inspection Branch
Mineral Resources Divison

NR:AC:djt

Attachments: - Letter, Strachan to Nickel, 1989-02-01
 - Stage I review compendium

Distribution: See attached list

DISTRIBUTION LIST**Cover Letter Only**

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Cover Letter and Review Comments

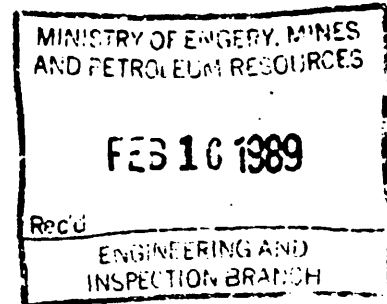
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 and Game Association
 Dave Bryce - Kamloops Flyfishers'
 Association



February 1, 1989

Mr. Wolf P. Nickel
Mine Manager
Afton Operating Corporation
P.O. Box 937
Kamloops, British Columbia
V2C 5N4



Dear Mr. Nickel:

Re: Afton Gold/Copper Project - Ajax Expansion

The Environment and Land Use Committee has resolved to grant Stage I approval-in-principle to the Afton Gold/Copper Project - Ajax Expansion, for up to 7 years of operations, involving the open-pit mining of about 27 million tons of gold/copper ore, as requested in your company's May, 1988, Stage I submission and subsequent correspondence. Moreover, Stage II of the review process is hereby waived.

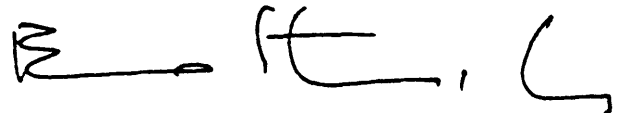
Your company is now authorized to complete negotiations with government agencies on the specific terms and conditions for the various licences, permits and other approvals which must be obtained prior to mine construction and operation. In this regard, you will shortly receive a detailed compendium of government review comments on the Stage I submission from the Mine Development Steering Committee. This document will note areas of further work which should be addressed at Stage III, including some areas not directly related to permitting.

Finally, although we are aware that your company has committed to complete construction soon, we wish to advise you that an approval-in-principle does not remain in good standing indefinitely. If, after five years from the date of my letter, construction of the project has still not been completed for any reason, the approval-in-principle may be subject to review, at the Environment and Land Use Committee's discretion, in order to ensure that it remains compatible with government policy at that time.

Mr. Wolf P. Nicol
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In conclusion, I wish to take this opportunity to thank your company for its excellent cooperation with the Mine Development Review Process to date.

Yours truly,

A handwritten signature in black ink, appearing to read 'Bruce Strachan', with a stylized flourish at the end.

Honourable Bruce Strachan
Chairman
Environment and Land
Use Committee

cc: Mr. R.S. Plecas, Chairman
Deputy Ministers' Committee on Regional
Development/Environment and Land Use

Mr. R.L. Crook, Chairman
Mine Development Steering Committee

Mr. J. Alley, Secretary
Environment and Land Use Committee