



British Columbia and Yukon Chamber of Mines

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April 20, 2000

Hon Dan Miller, Minister of Energy and Mines and
Minister Responsible for Northern Development
Parliament Buildings
PO Box 9060 Stn Prov Govt
Victoria, BC, V8W 9E2

Dear Minister;

Re: Great Pacific Pumice Inc.

We are very disturbed to see the District of Squamish appeal the case against Great Pacific Pumice, that it had previously lost in Court. The case essentially dealt with whether municipalities had the power to impose zoning regulations on permitted activities on Crown land. We were even more disturbed to see the Provincial Crown (Ministry of the Attorney General) apply to join the appeal as an intervener on the side of Squamish, thereby challenging its own Crown tenures and permittees. If this case is overturned, then no Crown tenures or permits within Municipal Boundaries, and by extension, within Regional District Boundaries, can be considered safe.

In discussing this case with officials in your Ministry, some of them basically said that they disagreed with the direction the Attorney General was taking on this case; but they had no power to influence the action nor did they have any rational explanation as to why the Crown would take such a bizarre direction. The Deputy Minister stated his theory that the Crown was concerned that all laws, not just Municipal-zoning bylaws, could be nullified if the case were allowed to stand. We are very dubious about this theory because if it were valid, then the Crown could simply make legislative amendments to correct this anomaly, rather than trying to bankrupt a small family company like Great Pacific Pumice or destroy Crown titles and permits.

We are also concerned that Squamish initially supported the operation and then, in the face of presumed criticism by local developers, changed their minds. While that may not be of concern to the Ministry it is evidence of bad faith by Squamish and we question the Ministry's support of their position in light of that fact.

If it is the Ministry's intention that mining leases be subject to municipal by-laws, then that should be stated clearly to the parties up front at the time of the application for the lease, so they can determine

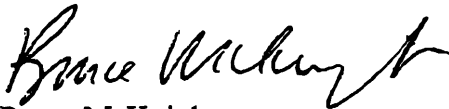
whether they choose to proceed with an investment in production or processing facilities located within municipal boundaries.

We believe the government must consider the downside of the District of Squamish and the Crown over turning this case. The implications are widespread effective expropriation by zoning. Every Crown title and permit within municipal boundaries (and, by extension, within regional district boundaries) would be in jeopardy, which would affect a wide array of investments including mines, forestry operations, guide outfitters, traplines, backcountry recreation tenures, fish farms, ski resorts, etc. This could choke off all new investment on Crown land and spawn an avalanche of lawsuits, probably class action suits, from existing tenure and permit holders .

Accordingly we urge you to move quickly to use your influence to have the Crown to at least withdraw from the case or to change its legal position to one of supporting the permit holder, Great Pacific Pumice, and defending the Crown's tenures and permits.

Yours sincerely

British Columbia & Yukon Chamber of Mines



Bruce McKnight
Executive Director

cc.

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Ms. Joan Hesketh, Assistant Deputy Minister, MEM (fax 250-952-0121)
Mr. Denis Lieutard, Chief Gold Commissioner, MEM (fax 250-952-0541)
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Mr. Gary Livingstone, President, MABC
Mr Garth Carefoot, Great Pacific Pumice Inc. (fax 879-6411)



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Subject:	

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