

NEW TAX RULE BENEFITS BC MINING

Mining companies that qualify for the Mining Exploration Tax Credit (METC) can now pass the proceeds received under the tax credit programme on to flow-through share (FTS) investors. This change is retroactive to August 1, 1998 when the METC was introduced as part of BC's Mining Initiative.

The METC is a refundable provincial income tax credit equal to 20% of qualified mining expenses incurred by eligible individuals and corporations. This measure removes an impediment

from MEM Information letter and bulletin

to companies that wish to pass some or all of their METC benefits to their flow-through investors. The ability to distribute any METC benefits to FTS investors is contingent on the particulars of the FTS agreements. Due to the complex nature of the income tax rules qualified professional advice should be sought when structuring such agreements.

The changes to the federal rules are expected to make eligible corporations more attractive to potential investors.

This amendment was developed in consultation with the Province of BC, and is specifically designed to enhance the METC programme. The text of the Regulatory amendment can be found at <http://canada.gc.ca/gazette/part2/pdf/g2-3417.pdf>. Click on SOR/2000-297. Complete information about the METC programme is available at <http://www.fin.gov.bc.ca/itb>

DRILLING STARTS ON VOWELL CREEK

Adapted from: www.canada-stockwatch.com

Bright Star Metals Inc. reports drilling will begin on approximately Sept. 2, 2000, on Bright Star's 100% owned Vowell Creek property in SE BC. The company's objective is to intersect sedex (such as Sullivan-type) lead-zinc-silver mineralization in pre-Cambrian sediments. Deposits of this type are known for their size and (in most cases) profitability. It is anticipated that the first hole will be 500 metres or more.

Bright Star's property covers a belt, over 6 km long, which is highly prospective for such deposits. Within the claims is a former mine, the Ruth Vermont (300,000 tons of 4.8% Pb, 5.4% Zn and 6.8 oz/ton Ag). While not a sedex-type itself, it is thought to be closely related.

There has been no modern exploration of the Ruth Vermont mining lease, except from underground. On the adjoining VMT claims (also part of Bright Star's property), 2.5 kms from the mine site,

drilling during the period 1981 to 1997 obtained a series of intersections including:

Interval (m)	Pb.%	Zn.%	Ag(oz/t)
4.69	3.4	8.6	3.4
2.10	5.5	8.7	5.6

Drilling is being directed at stratigraphic levels beneath the Ruth Vermont and at locations following up the known intersections of the VMT claims. The property is accessible by logging road and is 40 kms from Highway 95 and the railway. Both drilling locations will be large diameter holes in order to facilitate downhole geophysical instruments with the expectation of identifying an anomaly with sedex-type characteristics.

Financing for the program has been provided by Calalta Amusements Ltd., a corporation controlled by the president of Bright Star Metals Inc., G. F. Dixon.

*The Mother Lode
Sept, '00*

QUOTABLE QUOTE

In mining we don't have the glitz. We don't have the press. We don't have the personalities of (Steven) Spielberg and (Lew) Wasserman and (Michael) Ovitz ... We don't have \$17 billion takeovers. We just generate wealth. We quietly, in a boring, dull way produce most of the things human beings need.

Peter Munk, Chm Barrick Gold.

CLASSIFIED ADS

\$1 per line (about 5 to 10 words). Minimum \$5. Deadlines as stated for articles. Please contact the Chamber (352-5242).

FOR SALE: WINKIE DRILL, 210 ft. of rod, assorted parts, spare engine. Ct. John Graham @ (250) 499-5029 (ask for John).

FOR SALE: One COBRA 148/248 (Packsack) Drill. Phone: (250) 352-2148.

WANTED BY COLLECTOR:
Paying cash for old Stock Certificates, 1890's to 1930's, from West Kootenay mines. Please call: Ed Mannings @ (250) 354-4834 (office) or (250) 352-6379 (home).

WESTGATE Diamond Drilling, Box 255 Salmo, BC, V0G 1Z0. Ph. Pete Potapoff (250) 357-2278 FAX: (250) 357-9929

PROPERTY FOR OPTION: NW trending stock-works hosting massive Zn, Pb, Ag, with minor Au & Cu. Known ore grade sulphides to 75' T.W. For more information contact Len Ogilvie, (250) 229-4417, Box 47, Balfour, BC, V0G 1C0.

MURRAY GEOLOGICAL SERVICES
Ph: (250) 352-2569 FAX: (250) 352-4641
E-mail: jmurray@netidea.com

GEORGE G. ADDIE, P. ENG., F.G.A.C.
Consulting Mine & Exploration Geologist
Phone (250) 352-2832

Interested in advertising in The Mother Lode? Contact John @ 352-2569.

Note: the views of contributors to this newsletter do not necessarily reflect the views of the Chamber.

MEETINGS & SYMPOSIA

CHAMBER OF MINES OF EASTERN B.C.

Sept. 21, 7 PM Board Meeting @ Chamber.

BC BUSINESS SUMMIT

Nov. 18-19 @ Westin Bayshore Hotel & Vancouver Convention Centre. For info Phone 604-684-3384 or go to www.bcbusiness-summit.com

NWMA 106TH ANNUAL MEETING, EXPOSITION & SHORT COURSES

Dec. 4-8 @ Spokane Convention Centre & Doubletree Hotel. For info phone 509-624-1158, Fax 509-623-1241,

e-mail nwma@nwma.org, web-site www.nwma.org

37TH FORUM ON THE GEOLOGY OF INDUSTRIAL MINERALS

May 23-25, 2001 @ Victoria, BC. For info contact George Simandl at MEM, Fax 250-952-0381, e-mail: george.simandl@gems2.gov.bc.ca. Web-site: <http://ceor.seos.uvic.ca/IMForum2001>.

Further details of all these events available at the Chamber.

PRESIDENT'S REPORT

by Fred Critchlow, Chamber President

Just a few years ago BC stood proudly as one of the most prosperous provinces in the nation. I need not remind you this is no longer true!

Is it possible we have a provincial government that has not the foggiest notion as to where the money was coming from to create the healthy economy we enjoyed when they took power? Is it really possible that when they see a logging truck they can only visualize a clear-cut? Not a hospital bed? Do they see a train-load of coal as just a big hole in the earth, diesel fumes and coal dust, and not money to fund a badly deteriorated hospital system, doctor shortages, and highways?

In a recent Northern Miner article David Baxter (Urban Futures Institute) commented that when he sees a coal train he sees "bypass operations, maternity beds, emergency wards, the services of doctors, post-secondary education and social services". He notes the direct taxes on 2 coal trains pays for one bypass operation; one train pays the annual health care bill for 9 British Columbians.

Is it possible that our politicians cannot make the simple – and obvious – connection that the \$4.5 billion that mining brought to BC in 1998 was the equivalent of the total provincial government spending on health care?

The funds to run this province have always come from the resources of the province – and will continue to do so in the future. The resources are the assets we collectively own as citizens, but are now being denied access to in order to generate the wealth and prosperity we need for a healthy economy.

In Nelson both Mount St. Francis long-term care hospital, and Kootenay Lake Regional Hospital, have deteriorated to such an extent that some doctors are refusing to continue working in what they consider to be unsafe conditions, and are quitting. No money has been spent on maintenance for KLRH for over 10 years because government had promised to replace it.

By the end of September there will be only one Internist left. The hospital needs 3 (some say 4). The remaining Internist will be on call 24 hours a day – an impossible work load! Why not hire replacements to

help him? They have been trying for over 2 years, but when doctors see the facility and its outdated equipment they refuse to come here! Did I mention the hospital is 46 years old – and some of the original equipment is still in use? Other equipment being used was discarded by Burnaby General 7 years ago, and yet other equipment has been refused by veterinarians!

Such is the sad state of our hospital, and it can come as no surprise that our lone remaining Internist is now also considering leaving despite a strong desire to stay in the community. With him will go many of the basic services we depend on: ICU, surgery, obstetrics, diabetic outreach, chemotherapy, radiology to name a few. The prospect is a hospital which is nothing more than a glorified first aid station with all but the most minor ailments requiring a trip to another community like Trail or Kelowna.

The problem is not just a Nelson problem; it is a Regional problem affecting the health care of everyone in the region. **The region needs Nelson's hospital replaced now.** And it needs an immediate infusion of cash to buy basic equipment such as a CAT-scan (a standard workhorse, not special equipment in most hospitals outside of Canada) so that the doctors can do their jobs as they have been trained to do.

They need your support. They need you to write a letter outlining how this healthcare crisis will affect you, your family, and the community and region. Your letter should

CHAMBER REPORT

by Diana W. Morton, Chamber Manager

This is my last report in the "*Mother Lode*" as I have been offered full-time employment beginning September 15, 2000. I will miss the members that come into the Chamber regularly and those of you that have come into the Chamber to introduce yourselves and welcome me to my position, as well as those that I have met at special events by the Chamber.

I have enjoyed working for the Chamber and found our Board of Directors to be involved and active in educating the public about mining. I will miss the challenge this work has presented me. I hope that I will be able to be an active participant in the future developments of the Chamber.

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be sent to:

The Honourable M. Farnworth, Minister of Health, Parliament Buildings, PO Box 9050, Stn Prov. Gov't, Victoria, BC, V8W 9E2.

Similar but separate letters should also be sent to: **The Hon. U. Dosanjh, Premier, Premier's Office, Parliament Buildings, PO Box 9041, Stn Prov. Gov't, Victoria, BC, V8W 9E1,** and to **The Hon. Corky Evans, Minister of Agriculture, Food, and Fish, Parliament Buildings, PO Box 9043, Stn Prov. Gov't, Victoria, BC, V8W 9E2.**

And as Baxter says the next time you see a train loaded with coal heading for the coast give the crew a wave – "think of them as your health care providers!" ■

Now for some news at the Chamber. The Board of Directors withdrew the project "History of Mining in the Kootenays" from the Canada Millennium Bureau Process. The Chamber still intends to publish a history book, however, it will pursue other funding options.

The IAS agreement has been extended for another year making a total of \$24,000.00 available to the Chamber for the 2-year period of the contract. This funding has been used to fund public awareness programs.

Thank you again for allowing me the privilege of working for the Chamber, I will miss you. ■

YOUR FINANCIAL SUPPORT IS IMPORTANT TO THE CHAMBER – HAVE YOU RENEWED YOUR MEMBERSHIP??